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PLO'S CONTROL OVER ECONOMY OF SOUTH LEBANON ANALYZED

Jerusalem JERUSALEM POST in English 6 Aug 82 pp 5-6

[Article by David Bernstein]

[Text]

ON THE SOUTHERN outskirts of Sidon, just off the main coastal highway to Tyre, there is a large, austere industrial warehouse standing in what, to the uninitiated, looks like a huge scrap yard of rusting iron and steel.

These are the premises of *al-Mu'assasa al-Mechanikiya al-Haditha* (The Modern Mechanical Establishment), which in the last few years had managed to establish a near-monopoly on construction and industrial steel in South Lebanon.

And the "scrap" we noted in the yard was valued by our escort, one of the area's leading building contractors, at between \$30m. and \$40m.

The firm is owned entirely by George Habash's Popular Front for the Liberation of Palestine (PFLP), one of the more radical groups making up the PLO.

TO MANY Lebanese, the plant is a formidable symbol of what they believe the PLO was trying to do in South Lebanon in the years preceding Israel's invasion.

Our escort, Ibrahim Ghaddar, whose brother Mohammed Ghaddar is military commander of the Shi'a Amal movement in South Lebanon, explains that the firm was an important part of the PLO's plan to use the huge sums it was getting from Saudi Arabia, Libya and the other oil-rich Arab states to establish an economic base that would

free it totally from dependence on its Arab sponsors.

At first, the PFLP establishment was clearly intended simply to provide the PLO with a reliable and plentiful supply of the iron and steel it needed to build shelters, bunkers and other fortifications.

But, Ghaddar notes, the PLO soon began to use the company to establish a stranglehold on South Lebanon's vital construction industry. First of all, it was able to import cheap iron and steel from the Soviet Union and other Communist Bloc countries, with which the Marxist-oriented PFLP enjoyed excellent relations. And then, because it was in total control of the southern ports of Tyre and Sidon, the PLO was able to bring the material in duty free. The result was that the PFLP company was able to undercut its competitors, put many of them out of business, corner the market — and then, Ghaddar charges, raise prices and turn in huge profits.

Ghaddar is not at all certain that this came about by chance — he has a healthy respect for the business acumen of the Palestinians, whom he rates second in this respect only to the Lebanese themselves — and suggests that it was all part of a deliberate and carefully researched plan to take over the economy in South Lebanon.

Whatever the truth, the result was that one of South Lebanon's most active economic sectors, the

building industry, came to be almost totally dependent for its most important import on a PLO company.

Ghaddar says with some bitterness that his own company had no choice but to deal with the PFLP outfit, as did most other contractors in the south.

WHEN WE VISITED the PLFP warehouse last week, an IDF crew was loading the iron and steel — which has been impounded as enemy property — onto huge trucks for transportation to Israel.

The officer in charge confirms much of Ghaddar's story, adding that a lot of the sheet metal stored in the warehouse was farmed out to nearby PLO workshops, which used it to convert civilian vehicles into mobile weapon-platforms.

Ghaddar tells us that sheet metal was also farmed out to other PLO workshops and factories which manufactured steel door and window frames for the local construction industry.

He says that the creation of jobs for Palestinians was not a top priority for the PFLP when it set up the Sidon company, pointing out that it is very highly mechanized, equipped with the latest and best machinery, mostly American, which it either bought through or received as outright gifts from its supporters in the Gulf. He estimates that no more than 40 workers were employed at the plant.

IN DOWNTOWN Sidon, evidence of the PLO's growing economic empire in South Lebanon is even more remarkable.

The visitor cannot but be impressed, not to say surprised, by the large number of new high-rise buildings many of them still under construction. After seven years of war and anarchy, signs of a recent building boom are hardly what one might have expected.

Ghaddar tells us that much of the high-rise construction in Lebanon's second largest city came about in the last few years, most of it undertaken by the huge Daoud al-Ali construction company, one of the largest in the country.

Daoud al-Ali, Ghaddar claims, is a PLO front-man, and his company

is owned entirely by PLO chief Yasser Arafat's own Fatah group.

He takes us on a tour of some of the buildings the company has put up, many of them in the vicinity of the new Saray building that now serves as headquarters for the IDF in the area.

Their design is modern concrete and glass, some of them over 10 storeys high. The ground floor of each houses a dozen or so small shops or workshops, the upper floors mainly apartments. Most of the PLO offices and forward command posts were also housed in Daoud al-Ali buildings, Ghaddar tells us.

The apartments and workshops, he claims, were either sold or leased to Palestinians, mainly from the surrounding camps but also arriving in Lebanon from Jordan and elsewhere, on easy terms, this, he says, is a form of subsidized housing that has resulted in a significant Palestinian encroachment on downtown quarters of Sidon.

Ghaddar, who spent 14 years studying and working in the U.S., likens the situation to the black encroachment on inner-city neighbourhoods in America, with the original population moving out as the Palestinians moved in.

A FOREIGN correspondent based in Lebanon during the 1975-76 civil war confirms that the entire face of Sidon has changed out of all recognition during the past six or seven years — largely, if not entirely, as a result of the huge influx of PLO money.

As we drive past the impressive new building housing the Arab Bank in downtown Sidon, Ghaddar tells us that the bank — one of the largest in the Middle East — is referred to by locals as "the Fatah Bank." The reason is that the vast bulk of its Lebanese assets are believed to be in PLO funds, with the PLO using the bank to channel its assets abroad, mainly to Switzerland.

This piece of information cannot be verified, in view of the extremely strict code of confidentiality that, even after seven years of utter chaos in the country, makes the Lebanese banking system one of the world's most secure.

Ghaddar points out, however, that the Arab Bank's regional director in Lebanon is Sami Alami, whose brother Zuheir Alami, professor of economics at the Arab University in Beirut (AUB), is a prominent PLO activist and, according to Ghaddar, a member of the Palestine National Council.

ANOTHER KEY area where the PLO managed to place a stranglehold on the South Lebanese economy was in the ports, where, Ghaddar claims, it was in complete charge.

Labour, he notes, especially in Tyre, was almost entirely Palestinian, which placed the PLO in an ideal position to control everything that went on in the ports. Thus, as we have already noted, it was able to bring in its own imports totally free of duty and could levy its own taxes on imports brought in by the Lebanese.

Much of the labour in the ports came from the refugee camps surrounding Tyre and Sidon, where, Ghaddar says, there was some organization of labour — although he dismisses the Palestinian trade union movement in the camps as little more than window-dressing, designed to impress the PLO's socialist supporters.

A visit to the Rashidiye camp just outside Tyre in the course of a previous trip to Lebanon provided a glimpse of how such labour might have been organized. One of the refugees we spoke to explained that he was a *ra'is* (labour broker) whose function was to supply workers to Lebanese grove owners in the area.

Ghaddar denies, however, that these grove owners might have been using the refugees as a source of cheap labour — the PLO gun ensured that they were paid at least the equivalent of Lebanese workers, he explains.

Agriculture was the one major economic field in South Lebanon where the PLO was able to make little headway, mainly because it was virtually impossible for non-Lebanese citizens to acquire title to land. However, there were areas where the PLO did manage to take over some land — mainly around Damour, the Christian town

between Sidon and Beirut which the PLO took over during the civil war.

Elsewhere, Ghaddar claims, PLO involvement with agriculture was limited to a form of extortion, with farmers in the area coming under pressure to settle Palestinian families on their land "to protect their crops."

One highly important activity the PLO did engage in was control of the region's fuel supplies. Here it did not seek to take over the branch, which it left to function freely, but entered into agreements with many petrol-station owners who, for a monthly rental, would store hundreds of thousands of litres of gasoline for the exclusive use of the PLO. According to Ghaddar, huge new underground storage tanks were built at these petrol stations for the purpose.

BESIDES these major strategic sectors, the PLO and its supporters were active in all branches of the South Lebanese economy, Ghaddar tells us.

For example, Palestinians owned the three largest supermarkets in Sidon — probably also the result of their ability to import goods duty-free, while their competitors had to pay taxes either to the PLO in Tyre and Sidon or to the Lebanese authorities in Beirut.

They also owned a large variety of small retail stores, and ran workshops and small factories both in the camps and in the nearby towns.

Ghaddar says nothing about any centralized organization of these smaller-scale economic activities. But Reuter's Jonathan Wright, in a report from Beirut earlier this year, described them as being at least partly organized by the PLO's economic branch, Samad (Steadfastness).

Wright quoted Samad officials as saying that the main purpose of its enterprises in Lebanon was not to make money — as was clearly the case with the huge steel and construction enterprises we have looked at — but "to prevent the Palestinians from losing their identity while awaiting statehood."

With some 45 factories and workshops in Lebanon, according to Wright, and a turnover of \$26m. a

year. Samad claimed to provide employment for about 5,000 Palestinians.

Their products, he reported, included military items such as army boots (which were also exported to various Arab armies), as well as furniture, soft toys, confectionery, underwear, and even feature films.

Many of the Samad firms were apparently taken over from Lebanese industrialists during the civil war, Wright noted, and were expanded to provide work for the largest possible number of people.

Generally, according to Ghaddar, the Palestinians are a hard-working, industrious lot, and to the best of his knowledge, there was little or no unemployment in the camps. In fact, because of the protection of the PLO, they were in a better position to get jobs outside the camps than native Lebanese. Only in the civil service, where Lebanese citizenship is mandatory, were the Palestinians at a disadvantage.

ONE FINAL area, not strictly economic, where the PLO was extremely active was in the development of medical services to serve its forces and supporters in the camps surrounding Tyre and Sidon.

Ghaddar explains that the PLO was willing to spend its funds lavishly in an effort to build up support among the refugees.

He indicates that, unlike in the Lebanese towns and villages, where it was feared and hated, ruling through terror, the PLO enjoyed very considerable support in the camps — both because it succeeded in indoctrinating the younger generation, which it involved in extensive youth activities, and because it developed a large and generous social welfare system. This included completely free medical insurance for all, generous compensation and pensions for the families of fallen martyrs, and subsidies for the construction of houses and shelters.

Hospitalization was clearly a major concern for the PLO, given the heavy casualties sustained as a result of Israeli attacks on its bases in the camps, and other populated areas, and it was prepared to invest a great deal of money to provide the best medical care possible.

Unable to provide all of its own medical services — although it did run one or two hospitals and had clinics in all the camps — the PLO entered into contracts with several of the large private hospitals in Sidon.

Ghaddar claims that Dr. Ghassan Hamoud's impressive new hospital in Sidon, reputed to be the most modern and best equipped in Lebanon outside Beirut, was built almost entirely with PLO money.

(Dr. Hamoud, in an interview with *The Jerusalem Post* last month, admitted that he had treated PLO patients, whom he felt obliged to admit on humanitarian and ethical grounds — but did not indicate the extent of his financial reliance on the organization.)

Ghaddar also shows us a large new hospital the PLO itself was building just below the Maiomia refugee camp south-east of Sidon. This, he notes, was to have been fitted with the best in medical equipment and staffed entirely by Palestinians.

BACKED BY the gun and almost limitless funds, the PLO appears to have managed, in less than a decade, to build up an impressive economic base in South Lebanon.

It had, according to Ibrahim Ghaddar, managed to turn the refugee camps in the region into something approaching a "welfare state," with free medical services, subsidised housing and almost full employment — all part of its bid, apparently successful, to win over the local Palestinian population.

But, in its drive to attain economic independence from its oil-rich Arab sponsors, the PLO had also gone into "big business" in South Lebanon, and, in the years preceding Israel's invasion, had begun to encroach increasingly on several vital sectors of the region's economy.

In so doing, the PLO appears to have incurred not only the envy of the indigenous Lebanese population, but also that population's growing fear that it was in the process of engineering a complete economic takeover of the region.

We sensed this very strongly in all Ghaddar had to say about the PLO and the Palestinians. And we were

left with the suspicion that the PLO's growing economic domination of South Lebanon, as much as its ruthless law of the gun, played a major part in developing the rift between it and the local Amal movement. That culminated in open fighting between the two groups in Sidon and elsewhere in the months preceding the Israeli invasion.

Ghaddar himself insisted that not only is there no room in Lebanon for the PLO, but the estimated 300,000 Palestinians in the country—most of whom he is convinced are solidly behind the PLO—must also find somewhere else to live.

"I know it sounds cruel," he said, "but we want them out. I don't care where, but out." □

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CAMP'S POLITICAL, SOCIAL STRUCTURE DESCRIBED

Jerusalem JERUSALEM POST in English 13 Aug 82 pp 7-8

[Article by David Bernstein]

[Text]

WHEN THE IDF entered South Lebanon two months ago, it obliterated not only the military infrastructure the PLO had built up in the region over the past decade, but also a very extensive socio-economic system which had supported the bulk of the Palestinian population there.

The result is that, in South Lebanon today, a very large Palestinian population that had, until two months ago, been closely integrated into an all-embracing political and socio-economic system established by the PLO, now finds itself in limbo. What had existed in the region before the PLO took over the camps in the early 1970s was destroyed by the PLO. What the PLO had created since, was destroyed by Israel.

This has created a human problem with far-reaching political implications that, according to Dr. Zvi Lanir of Tel Aviv University's Centre for Strategic Studies, has presented Israel with an incomparable opportunity to win over a formerly hostile but now totally disoriented Palestinian population — a challenge it has not yet grasped, and the time remaining to do so fast running out.

LANIR IS currently involved in an in-depth study of the large Rashidiye refugee camp on the southern outskirts of Tyre, which, he believes, could serve as a model for the general socio-economic

history of the Palestinians in South Lebanon. His intention is to incorporate his findings in a book on the camp.

Rashidiye, Lanir explains, was first built by the French authorities in Lebanon in the early 1930s, to house survivors of the Armenian massacre in Turkey. Each refugee family was given a 10-dunam plot and participated in a small-scale irrigation project in the area.

In the early 1950s, however, the Soviet Union managed to entice many of these refugees to settle in Soviet Armenia, and Rashidiye was largely denuded of its original population.

Palestinians who had fled to Lebanon during the Israeli War of Independence and found temporary refuge in Marjayoun, Baalbek and other Lebanese towns and villages were then brought together and settled in Rashidiye. It was only a matter of time before what remained of the camp's original Armenian inhabitants left, apparently unable to get along with the newcomers, and Rashidiye became an entirely Palestinian camp.

IT WAS NOT long before the Palestinians began to integrate themselves into the economy of the south.

South Lebanon, prior to their arrival, was a largely run-down region, with most of the large land-owning families finding it more profitable to engage in business in Beirut than

agriculture in the south.

The influx of a large rural population — most of the Palestinians were fellahin — provided these effendis with an almost limitless source of relatively cheap and efficient agricultural labour, and agriculture suddenly became worthwhile once again.

In actual fact, Lanir notes, the refugees did not really need to work. All their basic requirements — food, housing, education, health services — were provided free of charge by the United Nations Relief Works Agency (UNRWA).

But, like refugees anywhere, they had a burning desire to improve their lot. What they earned as day-workers for the effendis they could accumulate either to send a member of the family abroad to study — a favourite project — or to start a small business. This would be either in the camp itself or in neighbouring Tyre, where one entire street on the southern edge of the town closest to Rashidiye was occupied by Palestinian-owned businesses.

There was another source of income which, according to Lanir many shrewd Palestinians appear to have taken advantage of — UNRWA rations. These were in very great demand, especially outside the camp, where they commanded good prices from the local Lebanese. It became a fairly widespread practice not to report deaths, the family of a deceased refugee continuing to draw his rations and selling them on the open market.

The result was that the original camp began to look less and less like a refugee camp and more and more like a fairly prosperous Arab village as the 1947 refugees accumulated wealth and improved their surroundings. (In fact, says Lanir, it came to be referred to as "the village," . . . to differentiate it from the "refugee camp" that sprung up on the plain below after 1967.)

Palestine was largely forgotten, retaining little more than a nostalgic resonance as the bulk of the refugees in Rashidiye appeared to come to terms with their lives in South Lebanon.

THEN CAME the PLO, along with the new refugees who flowed into Rashidiye and other camps in the area, first after the Six Day War in 1967 and later in greater numbers, after the 1970 "Black September" massacre in Jordan.

Lanir cautions against viewing the arrival of the PLO in a wholly negative light. While it displayed unmistakable signs of being an international terrorist organization, there was much about the PLO that was positive — at least from the point of view of the Palestinian refugees, who clearly derived considerable social and economic benefits from its takeover of the camps.

He believes that the deliberate demonization of the PLO, particularly in the weeks before and during the present campaign in Lebanon — in order he suggests to justify that campaign — has been a decidedly negative development, impeding a dispassionate view of what is an extremely complex phenomenon.

Nevertheless, there was at first some resentment, and apprehension that the brash newcomers might upset the more or less comfortable symbiosis that he had developed between the refugees and the indigenous population over the years.

In fact, the new arrivals, especially those who came from Jordan in 1970, viewed the original 1948 refugees with some disdain, regarding them as self-seeking "bourgeois," and appear to have had little to do with them. With UNRWA help, they built a new camp of their own, on the plain and along the beach below the original Rashidiye, and this was run by what Lanir calls the "armed aristocracy," in contradistinction to the "moneyed aristocracy" that ran the old camp on the hill.

Within three years, however, the new camp became far and away the more affluent of the two. Lanir says that the IDF soldiers who overran the camp in the current campaign were amazed at the wealth they found there — the latest hi-fi systems and electronic gadgetry inside most of the homes, and a disproportionate number of Mercedes and BMW cars parked outside

many of them.

HOW DID THIS come about? Quite simply, Lanir explains; the various groups constituting the PLO, all of which were active in Rashidiye, had access to huge sums of money and were prepared to spend this liberally to win almost universal support in the camp.

Any Palestinian in the camp would receive a monthly income of anything between LP700 and LP1,000—the equivalent of the average monthly income of an agricultural worker on the effendis' estates — simply by joining one of the PLO "militias." In addition, his wife would receive about LP650 for herself, and each child, from birth to the age of 16, LP25 a month. When a child turned 16 and joined the PLO's Ashbal youth movement, he would receive a monthly stipend of LP650.

Palestinian families being the size they are, monthly incomes of up to LP4,000 — four times what a fellah could earn — were not uncommon. What is more, all the new recruit had to do in return was undergo a very brief basic training course, sign on for a weapon, take part in a few parades — and, when the call came, rally to the flag.

While the 1947 refugees in the original camp tended at first to resist joining the PLO, it was not long before the old relationship between them and the Lebanese effendis began to break down. As the PLO took over many groves in the area to set up military bases and training camps, and the increased incidence of artillery exchanges and IDF bombing raids kept workers at home, many effendis simply stopped working their land.

Meanwhile, the huge sums of money which the PLO put into circulation in the camp created inflationary pressures which bit deeply into the real value of earnings from agricultural labour, and the *fellahin* began to find that it did not pay to go out to work for what in the past had been a reasonable income but now was little more than a pittance. Especially when a family could earn up to four times as much simply by joining one of the PLO groups, which many, in fact, did.

THOSE WHO still chose to work in agriculture also began to benefit from the intervention of the PLO, especially the Marxist-oriented groups such as George Habash's Popular Front for the Liberation of Palestine (PFLP) and Nayef Hawatmeh's Democratic Front for the Liberation of Palestine (DFLP), which with the effendis made certain that Palestinian workers received higher wages and better working conditions.

This, says Lanir, amounted to a crude and relatively undeveloped form of unionization which further eroded the old *fellah* effendi relationship. One of the chief complaints he hears from large effendi families, such as the Khalils in Tyre, is that among the most pernicious results of the PLO's arrival in South Lebanon was that the Palestinian *fellahin* in the camps became "poor workers," demanding more money for less work.

In addition to organization of labour, the PLO also became increasingly involved in all other aspects of socio-economic life in the camp.

It secured control of all service in the camp — including those provided by UNRWA, which treated the PLO as the *de facto* local authority and relied almost exclusively on inhabitants of the camp, most of whom were now PLO members, to man its operation.

The result was that even in UNRWA-run schools (there were three in Rashidiye, two elementary and one high school) and clinics, PLO influence was paramount. Lanir does not know to what extent the actual curriculum in the schools was influenced by the PLO — large quantities of seized textbooks are now being studied — but he points out that classroom walls were plastered with PLO posters.

The official curriculum, however, was Lebanese. Whatever extra-curricular indoctrination the PLO-affiliated teachers might have engaged in, it appears that the curriculum was followed. Lanir notes that education standards in Rashidiye were high, and the high school graduates tended to do very well in their final state-run examinations.

THE HEALTH services provided by UNRWA were also "infiltrated" by the PLO — the local doctor, we learned on a visit to the camp last month, had been detained by the IDF as a suspected PLO member — which supplemented them with services of its own. It encouraged foreign volunteers, doctors and nurses, mainly from Scandinavia, to work in the camp, and also made contracts with several of the large private hospitals in Tyre.

These contracts were much sought after by the owners of these hospitals — who were usually members of one or other of the large effendi families, including the Khalils — as in recent years it was mainly the PLO that could afford to pay the huge fees demanded. In fact they became, to all intents and purposes, exclusive PLO establishments, an integral part of the free health insurance scheme the organization provided for its members in the camp.

(Lanir's account corroborates one we heard last month in Sidon, where most of the private hospitals — including the impressive new establishment run by Dr. Ghassan Hamoud — were also under contract to the PLO in the neighbouring Ein Hilwe camp.)

Another extremely important service provided by the PLO in Rashidiye — and one which, Lanir suggests, may have enticed many of those camp inhabitants who had somehow managed to withstand its financial inducements — was air-raid shelters. An effective shelter, built of reinforced concrete, was clearly beyond the means of most residents of the camp, and became increasingly necessary as IDF attacks on PLO bases in and around Rashidiye became more common. The PLO would undertake to build these shelters for its members, apparently one for every three families.

(A visit to Rashidiye reveals that one in every three houses has, in fact, been destroyed, ostensibly because it contained what the IDF escort describes as a "bunker." Lanir draws attention to the curious unwillingness of the IDF to recognize that there was an authentic need for shelters in the camp,

and even though some of them may indeed have contained weapons or even explosives, the primary purpose of most of them was clearly to protect civilians when the camp came under bombardment.)

The provision of the best medical care available and the construction of shelters were clearly high-priority projects for the PLO in the camps. It was extremely important that the effect on the local population of Israeli attacks on PLO targets in the camp be minimized as much as possible, to avoid the kind of resentment that occurred in Nabatiye and other towns in South Lebanon, where the local populations were not provided with adequate protection.

ANOTHER FIELD in which the PLO was very active was the organization of cultural and recreational activities. These included handicraft groups, such as Palestinian embroidery for the women and girls and, most important, a wide range of activities for youth.

Each of the groups making up the PLO had its own youth movement, the equivalent of Fatah's Ashbal — which, Lanir notes, has erroneously been portrayed as a paramilitary organization, when in fact, even though its members did receive some weapons training, it was more in the nature of a sports club.

Members of these groups, he cautions, should by no means be confused with the so-called "RPG kids," who were usually orphans and other difficult social cases who for one reason or another had left their families and moved into PLO military bases. There they were taken care of and given some military training, which included the use of the Soviet-made RPG anti-tank grenades. Even their role, Lanir says, has been grossly exaggerated in the media, and they were certainly not part of the PLO's regional defence plan.

The main purpose of these recreational and youth activities, Lanir explains, was to rekindle a sense of Palestinian identity, which had largely disappeared before the PLO arrived in the camp, and also to generate enthusiasm for the PLO's goal of a popular "war of

liberation" against Israel.

Parades were held every couple of weeks, with all the trappings, including a youth band and, usually, a visiting PLO dignitary — sometimes even Yasser Arafat himself.

THERE CAN BE little doubt that the PLO did manage to rekindle a strong sense of national pride in the camp's refugees, — an achievement which, Lanir suggests, should not be underrated. But, he adds, it was vastly overrated by the PLO leadership, which appears to have genuinely believed that it had succeeded in building up the beginnings of a Palestinian popular army in the camps of South Lebanon.

Arafat's greatest disappointment in his current debacle in Lebanon, Lanir suggests, is probably the fact that when the crunch came two months ago, his "popular army" failed to materialize, and virtually the only resistance to the Israeli advance was provided by the few thousand hard-core regulars of the PLO groups themselves.

Lanir notes that there was virtually no fighting in the camp, and that most of the damage now visible was caused only after the camp had fallen, when the IDF blew up all the "bunkers" along with the adjoining houses.

At the last, it would seem, the PLO had made a great many fair-weather friends in the camps — but few deeply-committed converts. It had given much, transforming Rashidiye at very great expense into something approaching a "social welfare state," and gained very little in return.

THERE IS ANOTHER side to the coin, however. Lanir notes that the Palestinian refugees in South Lebanon have just gone through another traumatic experience, in some sense analagous to that of 1947-48. Many have again lost their homes, and livelihoods and once again feel badly let down by what they had come to regard as their authentic leadership.

What is more, he points out, the myth of the demonic Zionist which the PLO had so assiduously cultivated in the past decade was effectively shattered by the actual encounter with the IDF.

This overwhelming sense of confusion and disorientation, as well as

the obliteration of its entire socio-economic base, Lanir argues could conceivably have provided Israel with a rare opportunity to cultivate the goodwill of a once hostile Palestinian population and go some way towards making it impervious in the future to the type of hate propaganda it had been subjected to by the PLO.

To date, Lanir claims, Israel has done little or nothing to take advantage of this opportunity, and time is running out.

Many of the refugees have been rendered homeless, and Israel could generate a great deal of goodwill by taking the initiative in providing some sort of solution.

Even before that, much might be gained, he suggests, by releasing many of the 9,000 "terrorists" now reportedly being held by the IDF. He notes that a good number of these are only technically members of the PLO, having joined one or another of the militias, as did most eligible men in the camps, indicating that a distinction should perhaps be drawn between these and the hard-core PLO members.

He points out that the 9,000-odd men being held in the camp built outside the village of Ansar in South Lebanon at very great expense have as many as 60,000 relatives in the camps. These people, are becoming increasingly hostile to Israel, as they fail to understand why their men-folk are still being held.

What is more, the IDF is seen to be cooperating with the local effendis, the local Shi'ite Amal militias and Major Sa'ad Haddad, all of whom have some scores to settle with the Palestinians, while nothing appears to be done to provide for the protection of the Palestinians now that their former protector, the PLO, has been removed.

The danger of a massacre of the Palestinian population in South Lebanon should not be dismissed, Lanir warns — and if it ever occurs, those who survived would provide the breeding ground for a Palestinian liberation movement that, born of desperation, might be even worse than the PLO.

Something has to be done — and quickly. "If the door was wide open to Israel in Rashidiye a few weeks ago," Lanir concludes, "it has closed rapidly — and today is little more than a chink." □

INTER-ARAB AFFAIRS

NATIONALITIES OF CAPTURED TERRORISTS GIVEN

Tel Aviv YOMAN HASHAVU'A in Hebrew 6 Aug 82 p 7

[Article: "A Lebanese Intelligence Report reveals: Terrorists From India, Egypt and South Africa Were Engaged in South Lebanon"]

[Text] The intelligence bureau of the Lebanese forces, the Deuxieme Bureau is busy these days trying to answer the question: Where exactly are the terrorists' mercenaries? From data published by the foreign press it has become evident that half of the 10,000 detainees of the al-Nasir camp are Palestinians--the rest are Arabs from other countries and mercenaries.

An intelligence report of the Lebanese forces updated to May, 1982, which YOMAN HASHAVU'A has secured, shows that at the onset of the hostilities there were 8,000 foreign mercenaries in the service of the terrorist organizations in the South of Lebanon.

The mercenaries were divided up as follows: South Yemen: 500 terrorists, their wages have been paid by the PLO and the Government of South Yemen. They have been engaged as fighters and as blockade manners. In June 1,000 additional fighters were supposed to arrive from South Yemen. Pakistan--2,000 terrorists, all after military service in the Pakistani army. A thousand men were scattered in the central section and 1,000 men in the Stadium area of Beirut. The Pakistanis' salary was 682 Lebanese pounds per month, with an additional 125 Lebanese pounds for a married man and 25 pounds per child up to 5 children.

North Yemen--4,000 terrorists, most of them served in the terrorists' police; 2,500 of them served manning blockades whereas the rest served as reserve fighters in the Abu-Jihad organization. A considerable number of them had previous military training. Their salary was 965 Lebanese pounds per month, with the regular allowances for wives and children. India: 142 soldiers and officers in the Indian army. All are soldiers and officers in the regular army, with different professions and substantial experience. Their division: 50 served as artillery experts and activators of rocket projectors; 10--in the PLO--trainers and instructors in the weapons area; 8--at the front with Nayif Hawatmah--instructors and trainers; 40--PFLP--The Popular Front for the Liberation of Palestine--artillerymen; 30--The George Habash Organization--artillery specialists.

The Indians had a camp in South Lebanon near Kharrub. Their salary is 1,000 Lebanese pounds per month with the regular family allowances.

Bangladesh: 800 fighters, all are trained military men. The soldiers from Bangladesh were for the most part in the armored force and were engaged in operating the tanks in the possession of the terrorists, mainly the T-34 and the T-35. The fighters from Bangladesh were located in the areas of Nablatiyah and Tyu and their training base was in Wadi Zayra, south of Sidon. Their salary was 682 pounds per month.

Iran--200 Iranian soldiers arrived at one time in South Lebanon. They were concentrated in the Ali area. Their salary was paid by the Iranian government.

Somali--200 workers who were mainly engaged in clean up work.

Egypt--The PLO engaged 500 Egyptian workers in construction work, most of them were engaged in fortification work in the Beirut area. Immediately after the outbreak of the war, a large number of Egyptian workers were evacuated from the Juniyah port back to Egypt.

According to the intelligence people of the Lebanese forces, the terrorist organizations are trying to recruit now an additional number of mercenaries.

According to the intelligence experts, there is no doubt that in the Valley area and the Tripoli area there is a large concentration of Syrian soldiers and mercenaries who are at the disposal of the terrorists.

But the terrorists not only imported terrorism to Lebanon; they were also engaged in exporting it. The PLO, according to the intelligence people, served as the largest exporter of terrorism in the world in coordination and cooperation with the Soviet Union.

Yasir 'Arafat and the Soviet ambassador, Soldatov, in Beirut, have a close relationship, since the beginning of the year 'Arafat has been meeting with Soldatov twice a year on a regular basis, and PLO officers have studied in military academies throughout the Soviet bloc countries, including Cuba.

But the most astonishing discovery, according to people in Lebanese intelligence, is the capture of documents which provide evidence that in the region of South Lebanon courses in terrorism and sabotage were conducted for activists from different countries.

The documents attest to among other things that on 26 February, a course for "activists" from El Salvador was concluded. On 6 April a course for "activists" from Haiti began. On 16 May, 1982 a course for activists from South Africa was concluded and a course for people from Malawi begun. These documents were discovered in a training camp near Tyre.

If all the data is accurate and in intelligence data we should always take into account deviations from accuracy at different levels, then inside West Beirut there are not only Palestinians but also a large number of mercenaries from different countries and apparently not only from Africa and Asia.

9944

CSO: 4423/201

PROFILE GIVEN OF CAPTURED PLO FIGHTERS

Tel Aviv YEDI'OT AHARONOT in Hebrew 23 Jul 82 pp 5, 25

[Article by Eytan Haber: "Profile of the PLO People"]

[Text] Television and newspapers these days do not compliment the PLO terrorists who were captured by the IDF forces in the "Peace for Gallilee" war. They seem dirty, tired, and in shock. Nonetheless, one should not err; it is better not to bump into them in the dark in one of the alleys of the Rashida refugee camp.

According to reports, up until now the PLO had 15,000 members in Lebanon. It is assumed that up to 1,000 terrorists were killed in the battles. Another 5,000 terrorists either withdrew in retreat to Beirut or were already there. Approximately 2,000 terrorists are with the Syrian armed forces in the Lebanese [Biga'] valley, and 7,000 terrorist members of different organizations were captured by the IDF soldiers. They are now either in a detention camp near Nablatiyah or in prisons in Israel until it becomes clear who they are and what they did. It means that, based on this data, when half of the PLO manpower in Lebanon was captured and is held today by the IDF, it will be possible then to draw a certain profile of the PLO manpower. Here it should be stated immediately that Yasir 'Arafat does not have any reason to celebrate. In this case the quantity did not turn to quality.

The Commanders were the First to Run Away

From the questions and answers of 7,000 terrorists, from tests and investigations which are by the nature of things not very thorough in the initial stages, the following picture more or less is drawn:

The great mass, the decisive majority, are Palestinians between the ages of approximately 18 to 26. A minority of them are Lebanese Shiites, and even less than that are foreigners from other Arab countries. In contrast to reports, there is not even one European among the captured, with the exception of a group of physicians and nurses from Norway, no "Red Brigade" and no "Baader Meinhoff".

Almost all the captured members of the PLO are "second generation" Palestinians, those who were already born in the refugee camps in Lebanon, Jordan, Syria and other Arab countries. A minority of them, only those who are older, members of the local leadership, were born in the Mandate territory on its two banks.

Only a very few among the captured are what is referred to by the IDF as "with blood on their hands", meaning - participated in terrorist activities, strikes or Katyusha rocket firings in Israel. The decisive majority among the captured by Israel are salaried activists in different forms in the PLO, including military activities. It has become apparent that the participants in the latest battles succeeded in departing to Beirut or to the Lebanese valley, or they are still moving around in an area held by the IDF, hiding in the mountains, in the wadis, or in the orange groves. The commanders, it has become clear, were the first to run away.

A great emphasis was placed by the PLO on educating the young generation of Palestinians. And these, it has become clear, were fed the hatred of the Jews and Israel along with their mother's milk in the refugee camps. The young were educated from early childhood in Palestinian schools, were raised and matured in the shadow of their parents, 1948 refugees from Jaffa, Haifa and Lod. The PLO established among others, schools integrating regular studies with military training and Palestinian indoctrination, as was discovered by the IDF in the (Siblin) village. The leader of the gangs from the 1948 war, 'Abd al-Qadir al-Husayni, is the "Joseph Trumpeldor of the young Palestinians".

The cultivation of the young generation took place outside walls of the schools. Besides learning about their heritage, the children--really children--have received military education in "Atfal" and in "Ashbal" divisions, with strong emphasis especially on military training. A - 11 year-old boy holding a Kalachnikov rifle was a revelation in Rashida. From them, by the way, came the RPG children.

The personal level and education of a great number of those captured by the IDF is very low. Many of them did not finish their studies in elementary school. The Ashbal leader who recently surrendered to the IDF, the husband of the former queen of Jordan, is an exception with his high personal level.

What has been stated so far is in almost complete contrast to the organizational and theoretical procedures existing in the PLO during recent years. The low personal level does not fit what has now been discovered in South Lebanon; the laying of a foundation for an organizational framework in a manner which evokes considerable respect, from a shoe warehouse to a filing cabinet, organized correspondence, military details, and so on.

From testimony by the captured, from captured documents and from what can be seen in the area which is now under IDF control, one can learn that in the

last few years, there were two parallel processes taking place in the PLO and that one did not come on account of the other or instead of it.

The first - the development of the striking potential in the form of guerrilla and underground organizations.

The second - the cultivation of a regular military apparatus.

With regard to the first, there is no sense in talking about it now. Quite a bit has been written and stated about the second, the development of a regular military apparatus; it should be added that the aim here was apparently to try and keep a constant military struggle against the IDF and the population in the north. Furthermore, the evaluation today in military circles in Israel is that under certain conditions, the terrorists were about to fight the IDF and that in any case, certainly to become integrated as a military body as part of an all-out war by Arab armies.

The effort to try and keep the region of South Lebanon, mainly the coastal area as almost an exclusive Palestinian area - and to become stronger in manpower and military capability, was very conspicuous. It has become clear, by the way, that to remain in Lebanon it was crucial to become stronger concurrently with the other forces - the Lebanese Army, the Communists, the leftist organizations, the Shiites, the Druze, the Phalangists, the Syrians - and, of course, the IDF.

There is no doubt today, after checks and investigations in the area, that the main and perhaps exclusive implantation of the PLO is in the refugee camps in Lebanon, from the south to the north; this is their breathing space, this is where they live and where they are active. Here in the refugee camps their revolutionary generation was raised. The roots of evil are hidden in the clay huts and stone houses of Rashida, 'Ayn al-Hilwa, Tyre and Sidon, Nahr al-Barid and Badawi, Tripoli and others.

Who joined the PLO, why and how? Those captured in the war of "Peace for Gallilee" tell that in part they joined Fatah or "The Popular Front" or Gibril's organization willingly, the impression is that joining one of these organizations was almost mandatory for survival in the refugee camps. It was impossible to be without a membership card in one of these organizations, either because it was a matter of livelihood or because it was a matter of style. Someone who was not a member in one of the PLO organizations says that he was banished from the camp.

It is interesting to note that the less educated joined Fatah. The more educated found their way to Gibril's organization. It has become clear that the selection at Gibril's organization was stricter. He did not admit anyone who wanted to join him. Anyhow, to be a member in the PLO - was also to be rewarded. The PLO's budget - and this is a little known fact in Israel - is \$1 million per day; or this is no mistake. After the war of attrition in July, 1981 the PLO received additional allocations in dollars, millions of dollars.

A PLO member received a monthly salary from 650 Lebanese pounds and up. All according to rank and duty. What did he have to give in return for that wage? Not much, first training, usually for a period in one of the camps and then to work as a driver, or as quartermaster, or as an activator of anti-aircraft, or as a security man against spies or as a distributor of manifestos and so on. Only a few had the great privilege as far as they are concerned, to participate in strikes against Israel. From the investigations of the captured, it has become clear that usually there were no volunteers for that. The commander, (Khadij) Isma'il or 'Azmi Zorayr, would select the participants for the strikes out of the fighting groups which usually consisted of 14-15 men. They stood the fighters opposite them, signaled with the finger the men that they had selected - and they would in most cases undergo training which was unique to the mission. Only after an additional period of special training would they be on their way, usually never to return. A few who succeeded in returning to Tyre or Sidon received a king's welcome. They succeeded.

The senior commander was Isma'il. He was responsible for the PLO in South Lebanon. Isma'il, 45 years old, the son of Palestinian parents, is from Syria. 'Ishma'il was the one who took out and brought in all the terrorist activities and missions in Israel. Next to him, very active, was 'Azmi Zurayr, the commander of the Tyre region, including the Rashida camp; he and his operations officer, Zaki, were the launchers of attacks within Israel, including the attack on the bus on the coastal road over 4 years ago. He instructed the terrorists prior to their departure and was the last to bid them farewell.

Zurayr was the one more active in the field. He was the one who activated the RPG kids whose primary and almost only center was in Tyre. He was the one who gave the children their personal weapon, the Kalachnikov, which has become a symbol of status and manliness.

It is interesting to note and many of the captured confirmed it, that a considerable number of terrorists in the Tyre region and primarily in the city itself, "made money" from their participation in the terrorist organizations. In contrast to their friends in the refugee camps, sales agents also received and gave "percentages." The terrorists, the commanders and ordinary members, burdened the calm life of the civilian population mainly in the economic sphere - and only later when it was obedient and submissive they also provoked them in their personal lives. The appetite increased with the eating. The terrorists' behavior, especially in the Tyre and Sidon areas, is in contrast to the headquarters instructions in Beirut, which realized the importance of the local population's sympathy and was true to the underground rule "that it is forbidden for the fish to dirty the aquarium."

'Azmi Zurayr and his operations officer Zaki departed Tyre during the fighting. Like other PLO commanders, they sought and found a hiding place which was discovered by the border police. They were killed in a short

battle. All the other commanders of the PLO were able to flee to Beirut or to an area held today by the Syrians - the escape, in contrast to previous reports, was not according to an orderly plan and was mainly in the width axis of Lebanon, parallel to the advance of the IDF forces. It is assumed that there are still many terrorists around the wadis, mountains and orange groves in South Lebanon. Some were caught also, those with the rank of major, and others - it is hoped, will be captured. There is no doubt that a segment of the population provides them with shelter.

The search for terrorists in South Lebanon continues these days. The main aim is to catch those who have "blood on their hands," whether it is because they participated in attacks in Israel or because they used Katyushas or artillery. Today the IDF holds a few terrorists who murdered Israeli prisoners during the last war; however the IDF does not hold - despite the stubborn rumors - even one of those who took part in the large terrorist activities, hijacking of planes and the massacre in Munich. They are probably hiding in West Beirut, if they have not also left there.

The IDF and the other security forces, know a lot about them. For 17 years they gathered here in the computer every detail and information about every terrorist. Israel has thousands of names.

It has been published in the foreign press that the Israeli security people have used among others, local people, usually terrorist activists, who know everything and everybody. According to these reports, the "locals" are wearing hoods so that they cannot be identified and they point out those hiding under the cover of an honest and upright citizen. In one case, the foreign press reported, a Palestinian woman forcefully took the hood off of the face of Ali Titi, and this is how he was identified. His fate, they told, was bitter. He was executed.

This is more or less the profile of the various terrorists, as has been discovered so far from investigations as a result of "Peace for Gallilee" war. The coming days and weeks will discover even more.

9944

CSO: 4423/201

BRIEFS

PLO FEMALE TERRORISTS--A demonstration by female members of the PLO in Sidon and the refugee camps, and the bazooka attacks and the bullet salvos towards the government building in Sidon apparently mark the beginning of the opening of an additional battle in the PLO fight against the Israelis in Lebanon. The PLO personnel were prepared according to an evaluation behind the Israeli decision regarding South Lebanon and the arrest of the men who are members of the terrorist organization. They prepared a cadre of young women capable of leading the local population and a large number of them were also trained in using weapons. Experts in South Lebanon who are familiar with the PLO activities and those of the Amal organization think that Israel is not moving in the right direction. An arrest of all the men in case of an incident will not solve anything. Apparently the perpetrators of the latest strikes are women. Here, a Lebanese expert says, you will have a problem. The world will scream the moment it sees pictures of the dispersal of female demonstrators, even if these women are murderers. [Tel Aviv YOMAN HASHAVU'A in Hebrew 30 July 82 p 6] 9944

TERRORIST ARMS CACHES--Cuba was going to invade Israel in PLO uniforms: 11:15 Jerusalem. The military plan of the PLO, which was prevented thanks to Operation Peace for Galilee is becoming more and more evident. The great weapons caches were intended for an army of all nationalities which was supposed to invade Israel and cut off its water supply and conquer it. According to the documents, it has been learned that Cuban soldiers were supposed to be included in this force, which was the military arm of the USSR in different places in the world. [Tel Aviv YOMAN HASHAVU'A in Hebrew 6 Aug 82 p 9] 9944

PLO CONTROL OF CITRUS EXPORTS--In the Ministry of Agriculture they are trying these days to find ways to prevent the PLO from getting control of the citrus exports in the Gaza Strip. According to information that reached the ministry, it has become apparent that the PLO, through a Jordanian company, directs the citrus exports from the Gaza Strip. That company pays the citrus growers there high sums and commits itself to acquire all of their produce. Up to now the citrus exports from Gaza were intended mainly for Iran, the oil principalities and countries of the Eastern bloc. However, last year there was a sharp decline in the scope of the exports which amounts to \$40 million and amounts to an output of 150,000 tons. The citrus growers in Israel

believe that as a result of the decline in exports to these countries the company in Jordan is capable of marketing the citrus of the Gaza Strip to the European countries and seriously damage the Israeli citrus exports. One of the solutions to prevent this phenomenon is to assure the Gaza Strip growers of a good price for their citrus through Egyptian companies that will acquire all of their produce. In this manner the PLO control of the citrus growers will also be halted. [Text] [Tel Aviv YEDI'OT AHARONOT Hebrew 27 Jul 82 p 4] 9944

CSO: 4423/201

GROWING CONCERN OVER FOREIGN WORKERS NOTED

Paris AN-NAHAR ARAB REPORT & MEMO in English No 28, 30 Aug 82 pp 9-10

[Text]

The flood of foreign workers to the oil-rich states of the Gulf is causing growing concern to the home countries of the migrants as well as to their hosts. The Gulf states have become increasingly conscious of the long-term social and political risks entailed by their near-total dependence on an expatriate labour force. The poorer Arab countries and the Asian countries which supply most of the workers recognise the value of remittances as a source of foreign exchange, but are worried on a number of other counts. These include the inflationary effects of consumer spending fuelled by remittances, the impact on the domestic economy of the loss of so many able and energetic citizens and the social tensions caused by the protracted separation of men from their families.

The influx of foreign workers to the Gulf had its roots in the oil price explosions of the early 1970s, which brought instant wealth to the thinly-populated Gulf countries and stimulated a massive drive to build modern industrialised economies virtually from scratch. Large-scale industrial projects and burgeoning financial centres required Western expertise, while skilled and unskilled workers poured in from neighbouring Arab countries and Asia to participate in the construction boom. According to one estimate, there are now over 2.5 million foreign workers in Saudi Arabia, Kuwait, the UAE, Qatar and Bahrain alone, or 4 million if families are included. The Kuwaiti newspaper *As-Siyassah* put the number of Asians working in the Middle East at 3 million, including 1.5 million from Pakistan.

Saudi Arabia, which hosts the largest number of expatriates, is worried that contact with foreigners, particularly Westerners, may erode traditions and introduce new habits in the Saudi way of life. A more direct potential threat to security is perceived from the approximately 1 million workers from North and South Yemen, who constitute the largest single

expatriate community in the Kingdom. The Yemenis are followed by Sudanese, Egyptians, Jordanians and Pakistanis. There are also large numbers of South Koreans and Filipinos as well as Britons and Americans. But while the government's latest development plan lays great stress on the idea of bringing more Saudis into the labour force, the country cannot carry out its ambitious economic schemes without importing foreign know-how and labour. There may be as many as 3 million expatriates in the country compared to about 5 million Saudis, although according to official estimates there were only 1.06 million foreigners employed in 1979-80. Few young Saudis show interest in acquiring technical skills, preferring to start their own businesses.

Kuwait has a total population of 1.562 million out of which 955,000 are non-Kuwaitis, according to a recent report published by the Ministry of Planning. Thus foreigners make up 61 per cent of the population, a proportion which the Ministry predicts will rise to 64 per cent by 1985 when the total will have reached 1.907 million. The authorities are now considering ways to improve security and to repatriate workers when their contracts expire. But those described as non-Kuwaitis also include some 300,000 Palestinians and other long-term residents who may feel that their contribution to the Kuwaiti economy should entitle them to the benefits of citizenship.

In the UAE, where there is a total population of about 1 million, foreigners outnumber citizens by over four to one, the highest proportion in the Gulf. The government, alarmed by a rising crime rate which it attributes to the presence of so many migrant workers, has tried to restrict the entry of foreigners and to force employers to hire non-Arab foreigners only if no UAE nationals or other Arabs are available.

The foreign community in the UAE includes 100,000 Pakistanis, 250,000 Indians and 30,000 Filipinos, according to unofficial estimates.

Qatar's population of 223,000 includes only 60,000 nationals. The government has embarked on a programme to employ more Qatari citizens in leading positions. A similar programme is under way in Bahrain, where less than 50 per cent of the work-force is foreign. The island's total population is around 350,000.

Foreign workers send billions of dollars each year to their home countries, which are often desperately short of foreign exchange.

Pakistanis sent over \$2 billion home last year, more than the country received in foreign aid, according to a World Bank report. But the survey showed that 15,000 workers who returned to their homeland spent 63 per cent of their earnings on

consumer items such as food, clothes, electrical appliances and dowries. One example of inflation caused by the influx of Gulf money is marriage costs which have soared as high as \$ 20,000, the report said.

The government is trying to divert consumer spending into investment in small enterprises or communal projects such as schools and hospitals. Employers complain that they train their staff only to find that their employees take their new skills to the Middle East where they can earn salaries four times as high as those available in Pakistan and are able to save 70-80 per cent of their earnings.

Remittances by the 800,000 Indians working abroad, mainly in the Middle East, amounted to a staggering \$ 5.13 billion last year to become the country's leading source of foreign currency. Foreign workers also provide the bulk of Bangladesh's foreign exchange earnings last year with remittances of \$300 million from 300,000 individuals in the Middle East. Some 183,000 Filipinos left for the Middle East last year, bringing the total number in the region to 800,000. Remittances last year were \$596 million.

The number of South Koreans working in the Middle East, mainly on construction sites, has risen sharply in recent years to over 120,000 in 1980, according to the International Labour Organisation (ILO). Industry sources in Seoul were quoted by *As-Siyassah* as saying that in 1981 150,000 workers sent home savings worth \$1.5 billion. Labour migration is highly organised in South Korea, with construction companies offering package deals including a workforce ranging from supervisors and engineers to unskilled labourers, the ILO said. The Koreans are all on one-year contracts and must return home on completion of the job. They may not form unions while in the Middle East and have to live in compounds separated from the local population. These strict working conditions have undoubtedly helped South Korean firms to win orders, particularly in Saudi Arabia.

Migrant workers from Asian countries have suffered from exploitation of various kinds. Some Indian and Pakistani contractors have been known to demand up to \$2,000 from individuals wanting work in the Middle East. Filipino maids have complained of sexual abuse by their employers. Last year, a group of 3,000 Pakistanis who contracted to work as security guards in Libyan oil-fields reported to their families that they were in fact undergoing military training in preparation for being sent to fight in Lebanon and Chad, *As-Siyassah* reported. They were allowed to return home only after the Pakistan government intervened with the Libyan authorities. Manpower contracts between the two countries are now decided on a government-to-government basis.

Earlier this year, several hundred uniformed foreigners showed up among Iraqi prisoners captured by advancing Iranian forces. It was not clear how they had come to be conscripted into the Iraqi army.

TRADE INCREASE NOTED

Paris AN-NAHAR ARAB REPORT & MEMO in English No 29, 6 Sep 82 p 8

[Text]

US exports to Algeria notched up a 20 per cent rise in the first five months of this year, following a 32 per cent increase in 1981. According to the latest figures provided by the US Department of Trade, US exports amounted to \$417 million in the period up to the end of May, opening up the prospect that they could top the \$1 billion mark by the end of the year.

Owing to imports of oil and gas, the US had a \$4.3 billion trade deficit with Algeria last year. Since March this year, Algerian crude exports to the US have virtually dried up, but Algeria's state-owned hydrocarbons monopoly, Sonatrach, expects to earn about \$2 billion or more in exports of liquefied natural gas (LNG), condensates and liquefied petroleum gas (LPG). The Houston-based Panhandle Eastern Corporation recently announced that it would start receiving shipments of Algerian LNG on September 11 (*An-Nahar Arab Report & MEMO*, August 23), while Distrigas of Boston, which currently buys 43 billion cubic feet a year of gas from Algeriam is understood to have completed its first quadrennial contract review with Sonatrach, concluding terms similar to those negotiated by Panhandle.

US exports to Algeria consist of mechanical handling equipment, construction, mining and earth-moving machinery, aircraft and data processing equipment in addition to grain. US companies have won many contracts for the construction and maintenance of LNG units, pipelines, compressor factories and oil and gas exploration. Most recently, Sonatrach was expected to award maintenance contracts worth \$30 million to the Houston-based company Kellogg Plant Services for work at its two LNG plants at Arzew in Western Algeria (*An-Nahar Arab Report & MEMO*, August 30).

Three US trade delegations dealing in transport, construction and water resources are due to visit Algeria before the end of this year. Another indication

of how seriously the Americans are taking the Algerian market is the fact that Algeria's annual international trade fair this year boasts a US exhibit for the first time. Altogether, 1,400 companies from about 50 countries are displaying their industrial goods and other equipment at the show, opened recently by Algerian President Chadli Benjedid.

US exports to Morocco grew even faster than those to Algeria doubling to \$190.7 million in the first five months of 1982. The rise was mainly due to extra large imports of US wheat to counter the effects of a poor Moroccan harvest which came on the heels of a disastrous drought. Exports to Tunisia amounted to \$87 million during the same five-month period, slightly down on last year's figure. The start of the country's latest five-year development plan this autumn is expected to boost imports of capital goods from the US.

CSO: 4500/305

JAPANESE AID, TRADE RELATIONS FLOURISH

Cairo THE EGYPTIAN GAZETTE in English 2 Sep 82 p 2

[Text] The Japanese financial assistance to Egypt in the past years has amounted to \$1,000 million, according to the Supervisor General of the National Specialised Councils, Dr Abdul Kader Hatem

Addressing a joint meeting of Egyptian and Japanese businessmen held yesterday in Tokyo, Dr Hatem said that there has been a steady increase in trade exchange between the two countries which naturally coincided with the growing friendly relations between the two countries.

Japanese exports to Egypt, he said, were valued in terms of money at about \$795 million in 1981. In the same year, Egypt exported to Japan goods valued in terms of money at \$ 208 million.

Dr Hatem also expressed the appreciation of Egyptian businessmen and people of the fruitful cooperation between the two friendly people which serves their mutual interests.

Backing his statement with figures, Dr Hatem said that for the time being 60 major Japanese firms have already established branches in Egypt, an indication of the market potential in Egypt and the interest in cooperation with Egypt on the part of Japan.

The meetings which will continue for three days are aimed at discussing the possibility of increasing cooperation and opening new opportunities for the Japanese investors to enterprise in Egypt.

Dr Hatem is leading the Egyptian businessmen delegation which comprises a number of major businessmen, bankers and officials concerned with Egyptian-Friendship Society.

Sixty Japanese industrialists and bankers are attending the important talks. Dr Hatem is on very good terms with the Japanese businessmen and officials out of his experience through chairing the Egyptian-Japanese Friendship Society.

CALL TO ACTIVATE HOUSING MARKET

Cairo THE EGYPTIAN GAZETTE in English 2 Sep 82 p 3

[Text] ARABS paid LE 29.4 million in purchasing 324 flats in Cairo in the past five years, with an average of LE 90,000 per flat according to latest reports housing market in the country.

According to the Law No. 81 of 1976 flats and real estate are prohibited to sold to foreigners including Arabs. However, in some exceptional cases the Government may permit foreigners to own houses on basis of using them as private lodgings.

The law stipulates that in such cases the area of real estate, be they buildings or lands, should not exceed 1,000 sq. metres. The price of real estate should be paid in foreign currency according to the official exchange rates through accredited Egyptian banks.

Owing to the continual increase in the cost of building in the country the average price per flat has fluctuated during the said period ranging between LE 38,000 in 1979 and LE 116,000 in 1982.

The Arabs who are interested in the investment potential in the country and who are attracted by the climate of freedom and stability Egypt currently enjoys are exhorting the authorities to reconsider the laws and regulations generally preventing them from owning flats and lands.

Dealing with this issue, the General Investment Authority has worked out a report indicating that the purchase of real estate by Arabs in Egypt would activate the housing market.

As a result of the growing tendency of building flats to be sold, not rented, the market suffers from reluctant Egyptian purchasers, especially since not many people can afford to buy flats.

That is why there are for the time being about 30,000 unsold flats in Cairo the report about housing activity revealed.

CSO: 4500/299

LESS PEOPLE VISIT NATIONAL LIBRARY

Cairo THE EGYPTIAN GAZETTE in English 2 Sep 82 p 3

[Text] THE contribution by the National Library towards propagating culture and serving educational activities in the country has strikingly diminished in the past year for many reasons, an educationalist said in an interview with an Arabic language weekly magazine.

The establishment of the new building of the National Library at Ramlet Boulak, away from the city centre together with the traffic jams in the capital resulted in a sharp decrease in the number of readers visiting the National Library.

One of the fatal mistakes which diminished the educational role of the National Library was the administrative decree that cancelled the external borrowing of books. Many students who could not spend a long time at the Library have to seek knowledge at other libraries.

Even if the readers have enough time to go to the library they would not find it easy to get the books they want, said the educationalist. There is no index of all the books of the National Library, in other words the book may be on one of the shelves but neither the reader nor the librarian would find it, he added.

Negligence has not only resulted in the loss of hundreds of valuable books but also in the loss and damage of a number of priceless historical paintings of governors of Egypt since the 18th century. The collection, which comprises paintings of Mohamed Ali Pasha, King Farouk and King Fuad, has been stored in bad conditions resulting in damages.

On the other hand, said the educationalist, most of the collections of books granted to the National Library by famous Egyptian writers like Taha Hussein, El-Akkad and Ali Mubarak have been lost in the stores of the library because of the lack of funds for establishing special pavilions for these valuable book collections, the educationalist pointed out.

CSO: 4500/299

MORE FUNDS SET FOR EDUCATION

Cairo THE EGYPTIAN GAZETTE in English 5 Sep 82 p 2

[Text] [word illegible] total investments assigned for the new school year were estimated at LE 75 million, an increase of nearly 46 per cent over last year's allocation the Deputy Prime Minister for Services and Minister of Education and Scientific Research, Dr Mustafa Kamal Helmi, announced yesterday.

Speaking at a meeting with heads of education directorates in the various governorates, Dr Helmi said that these investments would be spent on building 398 new schools including 2750 classrooms as well as 534 workshops [and] technical schools

Elaborating, the Deputy Premier said that 3700 classrooms will be set up at primary stage, 2600 at preparatory stage, 940 for general secondary stage and [number illegible] for technical type of education. He added that a sum of LE 8 million has been set aside for repair and maintenance work.

During the meeting, held for discussion [word illegible] preparations for the start of the new school year, later this month, the Deputy Premier gave directions to participating officials to pay a great deal of attention to extra curricular activities. The largest part of school fees collected from students should be spent on these activities while the remaining part would go to the education directorates and the Ministry of Education, Dr Helmi said.

The Deputy Premier also said that he has held meetings with Grand Sheikh of Al-Azhar Gad el-Haq Ali Gad el-Haq and the Minister of State for Wakis, Sheikh Ibrahim el-Dessouki, on bases of teaching the subject of religion and to make it more favourable to students.

Prominence should be given to the role of national leaders who contributed to the liberation of the country and promoted its welfare over successive eras, he said adding that no period of Egypt's history should be dropped for any reasons.

He announced that 66 million copies of schools books in addition to 86 million notebooks have been distributed to schools in all governorates and gave strict directions on the necessity to deliver the books to students before the start of the new school year.

PLAN TO REVAMP PUBLIC UTILITIES REVEALED

Cairo THE EGYPTIAN GAZETTE in English 9 Sep 82 p 3

[Text] A SUM of L.E. 3,400 million has been set aside in order to develop public utilities and renovate water and sewerage networks all over the country within the coming five years, the Minister of Housing and Reconstruction, Mr. Hassaballa El-Kafrawi, said yesterday.

The Minister also said that the renovation of the water and sewerage network in Greater Cairo will begin within the next two months and that all the required equipment for this project have already been purchased.

A plan has been worked out to increase the output of locally manufactured pipes to 300,000 a year thus covering the needs of the renovation projects which will be implemented in collaboration with a number of foreign countries.

Sewerage networks in 18 towns will be completely renovated while projects to lower the level of subterranean water will be carried out in another 13 towns, the Minister said.

A special committee will be soon formed under the chairmanship of Mr. Ibrahim Naguib, Former Minister of Housing, to coordinate the various governmental bodies responsible for implementing these projects in Cairo and Alexandria.

A number of specialised training centres will also be established to provide skilled workers for the water and sewerage renovation projects in the various governorates.

The Minister added that these projects should increase the quantity of drinkable water allocated to each person from 30 to 50 cubic metres in the rural areas and from 60 to 120 cubic metres in urban areas.

As for the sewerage project on the east bank of the Nile in Cairo, the Minister said that the Ministry of Reconstruction will receive loans worth L.E. 366 million to finance this project which will serve the areas of El-Amieria and Abdein.

CSO: 4500/299

STRATEGIC IMPLICATIONS OF WAR, KHOMEYNI LEGACY EVALUATED

Jiddah 'UKAZ in Arabic 10 Jul 82 p 11

[Interview with Shahpur Bakhtiar, former prime minister of Iran by 'Ali al-Shubashi: "From His Exile in Paris Shahpur Bakhtiar Tells 'UKAZ, 'Iranian Soldiers Are Defending Their Country, not Khomeyni;' " in Paris]

[Text] "The future of the countries in the region depends on the will of those countries and not on the outcome of an international struggle."

Why did secret communications between the Islamic Republic and the United States continue?

"Khomeyni considers the United States the devil; how can he sell his oil to this devil?"

"Iran is a large and rich country; it must not entertain foreign ambitions."

"Khomeyni represents only a minority in Iran--not more than 10 percent of the population."

Amidst the events of the war between Iraq and Iran, when grinding battles were being fought not too far from Shatt al-'Arab, 'UKAZ went to Shahpur Bakhtiar, former prime minister of Iran. Bakhtiar had become prime minister during the last days of the Shah. He had tried to unite a divided country that was being torn by disputes between the Shah's regime, on one side, and all his opposition, on the other.

Bakhtiar, however, did not succeed in preventing the advent into power of the clergymen who were headed by their new leader, Ayatollah Ruhollah Khomeyni.

When Bakhtiar took office, he had wanted to change the regime without violence, in a constitutional manner. However, the revolution had become embedded in the country, and none of the opposition believed in the utility of adhering to the constitution that, in their opinion, had been continually violated.

Bakhtiar was thus not able to resist the tide, and he was forced to leave office. He went into hiding for some time in the country until he left Iran and went to France.

'UKAZ asked Bakhtiar several questions.

I Anticipated the Disaster

[Question] The clergymen have been involved in sharp disputes ever since they took over power. They've had a lengthy struggle which led to the ouster of factions, while other factions became affiliated with the opposition. However, it seems that power is now in the hands of this group. Do you think that this bond will continue and that the government in Iran has become stable?

[Answer] I want to refer first of all to a significant point: although some conflicts did emerge among the various factions which changed the course of affairs in Iran, all these factions were in agreement on one significant point. That point was that Khomeyni was "the savior." I was the only one who said that the advent of Khomeyni into power would lead to a disaster. That disaster was realized when the conflicts between these groups became intense, and we ended up where we are today.

After the ruling clique succeeded--this ruling clique that tried to do away with those factions that differed even slightly from it--it was natural that a certain bond be formed in the group that is still in power at the present time because of the tragic economic conditions, because of Iran's international isolation and because of the war with Iraq and other reasons as well. What is called the opposition--and this is a misnomer in my opinion--is actually not an opposition. It is a "split" with the government and not an opposition. Opposition [as I see it] is total disagreement with the government, whereas a split [refers to] part of the government that does not agree with a part or a detail [in the government's policy]. It is a difference in interpreting the same idea, but it is not a completely different idea.

There was no opposition in Iran in the true sense of the term. I am proud of the fact that I was practically the only figure in the opposition. However, what is now called the opposition is sprouting everywhere, but there are also those who are splitting with the government.

I have no respect for those who are splitting with the government. They played a prominent and a fundamental role in Khomeyni's advent to power. None of them withdrew or declared his opposition. They were all ousted by Khomeyni who despises them and considers them, correctly so, weak and unworthy of responsibility. That is why he ousted them.

Thus, the remnants of this regime are holding together and are staying somewhat united. Those who are splitting with the government are those who are creating the greatest uproar. An example of those are the Mojahedin-e Khalq who took part in the Khomeyni uprising. So far, they share one important feature with Khomeyni: he kills people, and they kill people. They tried to mix Islam with progressiveness, and they hid behind Ayatollah Talaqani who used to be very popular because he had been imprisoned several times. But I knew Talaqani, and I can say that he was not a politician at all. In fact, as religious scholars told me, his religious standing was not very high. As a person, Talaqani was not a solid man; he was a shallow man.

We must not forget that when the clash between the Mojahedin-e Khalq and the regime began over political reasons and differences that were not based on principle, Bani Sadr was still president. He too had a clash with them, and he

persecuted them. Nevertheless, they are now forming an alliance after Khomeyni expelled Bani Sadr.

To me the Islamic Republic is merely a dark period in the history of Iran.

Parties That Have an Interest in the Continuation of the War

[Question] You've described conditions in Iran as "catastrophic," and you said that economic conditions were tragic. How can the present regime in Iran, under such conditions, continue the war with Iraq with some measure of efficiency?

[Answer] Iran can go on fighting because some western countries are helping it continue the war. There is also a significant factor that Iraqi leaders have not appreciated: when an Iranian soldier feels that his country is in danger, he fights to defend his country, not to defend Khomeyni. This war is very painful, and its effects on both countries have been horrible. Losses are estimated in the tens of billions. But there are parties whose interests are served by continuing the war because they are the ones who will get oil after the war in return for rebuilding what was destroyed by the war. I believe that the countries of the Middle East must realize that their future too depends on their wills and not only on the outcome of an international struggle. The United States, the Soviet Union, Britain, France and other major countries would not interfere in the affairs of a small country on the one hand and agree to help that country economically on the other hand if they feel that this country is actually determined to live in freedom and in dignity.

The Dangers of the Struggle to the Region

I also wonder why the countries of the Middle East are struggling with each other! I am not referring only to Iran and Iraq. Let's take, for example, the expression, "The Arab homeland." It does not mean anything to me. From Morocco in the west to Oman in the east you can hardly find two countries who are not involved directly or indirectly in a war. The rich countries are taking advantage of this situation.

Abroad we often heard those who said, "If only all those who opposed Khomeyni were to unite!" Let me tell you that this is nonsense. Those who are saying this are specifically those who do not want the liberation of Iran. Those who will liberate Iran are those who do not wait for orders from a foreign country to liberate their country. The others, however, can do nothing to liberate their country. I took up a position to liberate my country from the first moment, and I did not wait for orders from anyone.

I would like to add here with emphasis that what is called now the Islamic Republic in Iran has always had communications with the United States of America. Even during the hostage crisis at the American Embassy [in Tehran] secret communications with Washington continued, and Iran was receiving U.S. aid. Some people say that this was normal so that Iran would not fall into the grip of the Soviet Union. This may be true. At the present time, [however], it is the American companies that are buying Khomeyni's oil.

Thus, without the aid of western countries Khomeyni's regime could not have lasted more than 6 months.

The West Sympathizes with Iran

[Question] You say that western countries are supporting Khomeyni. Can you identify these countries to us?

[Answer] Western countries strive to achieve their own interests. The administration of former President Carter never thought of overthrowing the Khomeyni regime. It thought that it could talk with people like Bani Sadr and others. However, President Reagan's administration said, "The situation must be changed." Khomeyni, however, is still in power, and this is because of the system of studies that is followed by the U.S. government. Every agency comes up with a study about conditions, and the government finds itself almost suffocating from the proliferation of these studies. But the truth is that matters are easy, especially with regard to a country that actually ruled Iran for 40 years.

If this then is the position of the United States, other western countries --the Germans, the British and the French--are saying, "Let us then make trade deals!" I wish to say here that Britain has always had very good relations with Iran's clergymen, the mullahs. Britain then has very good relations with the regime of Khomeyni.

The situation--and I would like to emphasize this--is not only dangerous for Iran, which has almost been destroyed by it, and it does not only represent a threat to the Gulf region alone, but it is also a threat to the entire surrounding region, including Jordan and Syria. It is a threat from outside Iran as well as an internal threat. Khomeyni does not need to send armored units to these countries. Instead, he is trying to control them from the inside, as he did in Bahrain. Khomeyni is claiming for himself the right of Islamic succession. He is simultaneously the imam and the sultan. I personally do not recognize him as either the imam or the sultan of Muslims; nor do I recognize him as the ruler of Iran.

The Regime Damaged Islam Considerably

[Question] But in relation to economic and political conditions in Iran, do you think that Khomeyni's regime can survive for a long time?

[Answer] Without help from western countries Khomeyni cannot survive for long, as I said. But Khomeyni is a master impostor. He says that the United States is the great devil, and yet he sells his oil to that great devil. Not only that, but he sells oil to the United States at a sizable financial discount so he can continue his destruction of Iran and his conspiracy against his neighbors.

Iran can only be saved from within. No one on the outside can do anything. For that purpose a program must be devised around which the largest powers can rally: the constitutional royalists and the republicans, but not the clergymen.

I would like to say here that Khomeyni damaged Iran immeasurably, but he has also damaged Islam immeasurably even inside Iran itself. This has happened despite the fact that Khomeyni represents only the smallest minority. Shi'ites are no more than 10 percent of all Muslims, and I can assure you that Khomeyni represents only a very small minority of Shi'ites. However, he thinks he represents all of Islam.

I believe that Khomeyni was able to influence many Iranians before he came to power and during the first 2 years after he took office. Now, however, after that regime has become one which cannot survive for an instant without the use of brute force, Khomeyni has lost much of his influence.

The Source of Sensitivity between Iranians and Arabs

[Question] The establishment of the Islamic Republic in Iran and Khomeyni's aspirations for Arab territory have created a kind of sensitivity between Iranians and Arabs. Many voices are being heard now stating that Persians and Arabs have always been "hostile brothers." What can be done to remove these sensitivities now?

[Answer] If another government had been in power in Iran, it would not have done what Khomeyni has done. He sent his men to kill Iraqi leaders, and he tried to export his revolution throughout the Islamic world. The only way to get at these sensitivities is to get at Khomeyni's regime. Iran is a large and a rich country; it must not entertain any outside ambitions, and it must not feel inferior in relation to its neighbors. As a country, we can change the conditions of our lives; we can change our political regime; and we can change the social makeup of our society. But the only thing we cannot change is our neighbors. Our neighbors are here, and we cannot change them and choose others.

As far as the Arabs are concerned, and regardless of the fact that we belong to the same region, to the same origins and to the same True Religion, we have given the Arabs [parts of] our civilization and our culture, and we have taken [parts of] their civilization and their culture. We've both influenced each other's lives. At any rate, we must come to an understanding. France and Germany, for example, fought each other repeatedly throughout the past centuries, whereas we did not fight with our Arab neighbors for about 1,000 years, and we've lived together as good neighbors. But it was Khomeyni who began the provocation against Iraq. He sent his men to Iraq and he spent money to destabilize Iraq.

At first, Iraq put up with this conduct, but then things got out of hand and [the situation] became intolerable.

There was also a sense that Khomeyni had fragmented the Iranian army. Had not Khomeyni done what he did with the Iranian army, Iraq would not have taken action despite Khomeyni's provocations.

I tried everything I could to persuade the Iraqis that they had to distinguish between Khomeyni and Iran. I told them that if they were to attack Iran, they would be strengthening Khomeyni's position in Iran. And this is the tragedy. I know that the Iraqis realize now that I was farsighted and that I was concerned about my country and about them too.

The Future of Iran To Be Determined by Iranians

[Question] What in your opinion is the future of Iran in the light of all the circumstances and conditions you discussed?

[Answer] The future of Iran will be determined by the Iranians themselves. I am

convinced of this. Naturally, there are also matters that will be determined by the superpowers, but what they will determine will depend first on what we ourselves will do. The future of Iran will depend on our ability to make sacrifices for our independence. I am very optimistic about the future of Iran despite the dark period that it is going through right now. I know, of course, that we have to rebuild our country and that this reconstruction will not be completed in my life time. But this does not matter. However, we must of course get rid of Khomeyni's government first. His regime has now reached a dead end, with the war against Iraq or without that war. You know of course that countries are not built by funds alone; they are built by their loyal citizens. Iran now has a distinguished group of intellectuals living outside Iran and in Iran, but this group is suffering from a state of despair which is making them [unable] to do anything to save the country. This situation must be changed. There are about 50,000 Iranians living abroad. There are physicians, engineers, economists, etc. in their midst. Unless those people return to Iran, Iran cannot be rebuilt. Therefore, the government that will succeed Khomeyni must utilize the tremendous energies [of these people].

Iran Is not Ruled by an Individual

The bitter Khomeyni experience has taught us many lessons among which is that the country belongs to everyone. Every individual or every group must be able to express what he or they think is in the interests of the country. The Khomeyni experience also taught us, as the Shah experience did, that the country cannot be ruled by one individual. Everyone must take part in the government on all levels.

I want to assure you since we are talking about Khomeyni whom I had always fought even a long time before he came to power, that if anyone had told me that Khomeyni was that murderous, that selfish and that much of a hypocrite, I would not have believed him. I was certain that he was not fit to rule, but I never imagined he could be that brutal. What Hitler or Stalin did dwindles into insignificance compared with what Khomeyni has done.

Can you imagine, for example, that there is a law which states that anyone who criticizes Khomeyni becomes a non-believer and deserves to be executed!

I believe that when the regime is changed, Khomeyni should not be killed. He would thereby become a martyr for those who believe in him. Khomeyni must be given a fair trial for the crimes he committed. We must expose his brutal actions, for he is not a human being. This trial must be attended by international observers, and Khomeyni must be allowed to defend himself and to explain the reason behind what he did. He will have all the guarantees, but he will lose one thing: the religious immunity that he has had for all these past years, even during the days of the Shah.

After that the 1906 Constitution must be restored since this constitution is the foundation of political life in the country. This constitution has actually never been applied. If it is applied, after it is amended by a select constituent assembly, normal democratic life will be restored to the country. After that, the people will decide on the form of the state and its institutions; they will decide whether the state will be a monarchy or a republic.

They will decide whether there will be one or two parliamentary bodies, etc. The people will make that decision.

[Question] But before all this, how do you envision changing the regime?

[Answer] It would be impossible to change the regime without the army, and it would also be impossible to change it without the tribesmen. It would be impossible without ordinary Iranians.

But how can this be achieved? This is what I cannot say now. I have never asked the Arab countries for financial assistance, weapons or similar things. I ask for nothing but moral support.

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CSO: 4604/50

SHARON ON LEBANON, OTHER ISSUES

TA181055 Jerusalem Domestic Service in Hebrew 1005 GMT 18 Sep 82

[Special New Year interview with Defense Minister Ari'el Sharon by political correspondent Shim'on Schiffer and Knesset correspondent Arye Golan; date and place not given--recorded]

[Text] [Question] Mr Defense Minister, Happy New Year to you. We are hosting you on the Voice of Israel's New Year interview. Let us begin with the Lebanese issue: When do you suppose the Lebanese Army could replace the IDF in west Beirut?

[Answer] The Israeli Cabinet never wanted the IDF to enter west Beirut, either in the preliminary deliberations that preceded the Peace for Galilee operation, or in the course of the campaign, and certainly not after some 15,000 terrorists and Syrian Army personnel have been expelled from west Beirut, even though we have known that the terrorists breached the agreement [heskem] by leaving behind some 2,000 armed terrorists, by not handing over their heavy arms--a clear, blatant and serious violation of the agreement--on 22 August. We hoped and expected that, with the transfer of power to the new president and the election of a new government, the necessary action would gradually be taken to uproot the terrorists nests--including the commands and nuclei they left--from west Beirut so that an infrastructure for the establishment of a terrorist force as existed in the past would not be created again. In other words, not to allow the previous situation reemerge.

We would not have entered west Beirut, but the tragic event led to great confusion in Beirut. We had information that the remaining 2,000 terrorists in Beirut, with the help of several thousand members of the various militias operating in west Beirut, might, in just a few hours, prepare and deploy in positions around their neighborhoods, effectively repartitioning the city, recreating a terrorist organization's infrastructure.

This worried us not necessarily as an internal Lebanese affair. Our concern was for Israel's security, which is why that same night it was necessary to make a decision. Sometimes it happens that a minister must make a decision--and it could be very crucial--after midnight. We made this decision, the prime minister made this decision after having talked to me and I think that this may have been one of the most crucial decisions made, as a result of which

we entered west Beirut. In general, in my opinion one should try to be present in Beirut, east and west, for as short a period as possible. I have never, in any of the deliberations, made any commitment regarding the length of our stay in Beirut. But I always told my interlocutors that even though the IDF's withdrawal from Lebanon is linked to the withdrawal of other forces--the terrorists from the north of Lebanon and the Al-Biqa' area, and the Syrians from the 40 percent of Lebanese soil they still hold--I for one would make every effort to remove our forces from Beirut as soon as conceivably possible for internal reasons of our own.

Naturally, with the creation of the new situation and our having taken action--and I would call this action a salvation campaign, since we actually saved Beirut twice: once by beginning the Peace for Galilee operation, and the second time through our quick entry into Beirut 2 days ago. [Sentence unfinished as heard] We did not do it as Lebanon's policeman. We are not Lebanon's policeman or the policeman of any other body. We did it precisely for one purpose: Israel's security. We hope the Lebanese Army will enter as soon as possible. Actually, the Lebanese Army received instructions long ago to enter Lebanon [as heard]. Its advance was slow and was carried out mainly with the IDF's help, encouragement and aid, as well as its mediation in forming contacts between the army and the various organizations. IDF commanders more than once endangered themselves by serving as mediators between the various organizations and the Lebanese Army. Still, progress was slow.

Today as the IDF has captured key positions in west Beirut, I hope the Lebanese Army will advance faster. The way I envision it taking place now is that the Lebanese Army will purge those areas where terrorists still are, and when it approaches those key positions which we control, the IDF will hand them over to the Lebanese Army and gradually evacuate Beirut. This, in my opinion, is the way. I hope this will be done quickly.

[Question] What time frame are you talking about, Mr Defense Minister, regarding our stay and the continued salvation of Lebanon, as you called it: Are you talking about days, months or years?

[Answer] The salvation is not of Lebanon. I talked about saving Israel, not Lebanon. As a result of the operation which appeared to me to bring about Israel's salvation to a large extent, or to what I would call a most deep contribution to Israel's security, the background was also created for Lebanon's salvation.

Now, in Beirut itself--and I hope the time will be short--everything depends on how fast the Lebanese Army operates.

[Question] Based on your knowledge of it, is it capable of moving fast and of getting things under control quickly?

[Answer] Until now it has not demonstrated the ability to act fast. Perhaps now, by virtue of our very occupation of key points, it will be able to do so faster. I would not say that the reference is to day, but neither do I mean months.

[Question] So you mean years?

[Answer] No, not days and not months. I hope it will be a few weeks.

[Question] Still, the principle question remains: If the IDF helps clear the city of terrorists, what then? Is Israel becoming Lebanon's policeman in the sense that every time something happens there the IDF will have to intervene?

[Answer] Israel did not act in Lebanon as its policeman. Israel is nobody's policeman in the Middle East or in any other place. Israel handles our own security affairs, and only ours. When one asks why it is necessary to deal with those 2,000 terrorists now in Beirut, the answer is that the importance of doing this is that in order for a Lebanese Government, when it is established --and I believe a government will be set up in Lebanon--to establish control over Lebanon, there must be some sort of starting point, with no terrorist center of power of such dimensions or size that it will be unable to overcome it.

[Question] After Bashir al-Jumayyil's murder, the Phalangists chose Amin al-Jumayyil as their candidate for the presidency. Is he also your choice?

[Answer] We do not interfere, and never have. This is not to say that Israel has no interest in what kind of government rules in Lebanon. It would be naive to say, although I have heard this occasionally from all sorts of people--but, again, I would at best call it deliberately acting naive--that Israel is not interested in what takes place in the neighboring countries. On the contrary, we are. It is true that we are interested in having a government in Lebanon that would firmly insist on having no Syrian in Lebanon. We know that the terrorist organizations and their infrastructure hide behind the Syrians. Is it not of interest to us that the government in Lebanon will be one that will express adamant opposition to terrorist activity taking place from inside its territory against Israel? Or to have a government that will ignore this subject? Is it not in our interest to have in Lebanon the kind of government that would not allow the reestablishment of a state-within-a-state with such an international capital of terrorism as Beirut was? Certainly it is in our interest! But our ability to interfere is limited. This is not the reason why we went to war. We would never have gone to war in Lebanon to set up a government there; but, in view of the war, the background for the establishment of a government has been created. Bashir al-Jumayyil's murder was first of course a personal tragedy.

[Question] Were you surprised by the fact that he was assassinated?

[Answer] Every one of us was surprised by the fact that he was killed. When you know a person and have followed this enthralling drama of Lebanon over the past few years; when you see a young, proud man, a true Lebanese striving to unite his country, who reaches the conclusion that his country's existence depends on maintaining peaceful relations with all its neighbors, Israel included, who heads a bitter struggle for years--a man termed in the West, including the U.S. ruling circles, as recently as a few months ago, as a leader of a gang--manage to be elected president of a country after years of

suffering. When you see him murdered just a week prior to his entering service as president--this is in itself shocking and amazing. Here we are talking about a special man, a vigorous man, a fighter who on the one hand had a refined education, and on the other hand had a stormy and yet dreaming soul--I would say a combination of so many young men. Then when such a thing occurs, everyone is surprised, everyone is amazed and everyone aches. It hurts me, too.

Up until about a month ago everyone said: Is it at all possible for a man who thinks about relations with Israel, or one who had contacts with Israel, to be elected in Lebanon? People would deride and make fun of it, saying this is castles in Spain. It was dismissed. Now a tragedy, a real tragedy, has happened, and all of a sudden it is as though our whole world has fallen down on us. And those very people, who time and time again said that he would never be elected, that there is no such chance and that it was a major mistake even to imagine that any Lebanese personality who sympathizes with Israel or who had any contact with Israel could be elected and establish a government--after which the disaster happened--have been saying: This puts the lid on the peace process with Israel.

[Question] But will you agree that recently there has been a certain degree of disappointment with Bashir al-Jumayyil because he was not prepared to walk alongside Israel in the open and sign a peace agreement with it? Or would you be prepared at this stage to say that, following talks you held with Bashir before his death, he was prepared to go along with Israel in signing a peace agreement?

[Answer] I would first like to complete what I said earlier: It is impossible to say that the State of Israel, or the Jewish people, who have survived 3,700 years and who have overcome all the decrees and all the diasporas and succeeded in making great creations mentally and materially, are dependent on one person, be he even the closest friend. What is happening to us? Is Israel helpless, powerless so that it is dependent on one person who only 1 month ago people made fun of the very prospect of his becoming president?

In my opinion, these things should be seen in the proper perspective: Pain on the one hand, but as for Israel's national interests and its ability to maintain them, we have enough strength and power morally and physically to guarantee that we get the peace we deserve. Peace is not a gesture made by one country toward another. Peace is a security necessity.

As for the relations with Bashir al-Jumayyil: Just as in relations between people so it is in relations between countries. There were ups and downs, but all in all they were very fundamental, thorough [yesodiyim] relations. In my opinion, the man paid with his life for his path, which was the course of peace. Interestingly enough, in the last interview he granted, published in TIME magazine, he talked about the need to exist in peace with all of Lebanon's neighbors. In my opinion, he would no doubt have achieved the signing of a peace treaty just as we will with another government and president that will be established in Lebanon. The deed must serve as a warning signal for us,

and again provide a retort to all those who ask: What is the significance of a signed treaty? What difference does it make whether there is a signed treaty or not? The practical relations are the ones that count.

[Question] We have likewise never had war with Lebanon.

[Answer] This is not so. Lebanon attacked us with all the other Arab countries in 1948; its armies invaded Israel and conducted fierce battles against us for which we paid much blood. But since then it has not participated in any of the wars, but neither was there ever a peace treaty. There is an armistice agreement of 1949.

What happened must serve as a lesson to all of us--and particularly to those who say: Who cares? The practical relations are the ones that count!--for there is a tremendous difference between a signed peace treaty and relations, be they the best or deepest or most friendly, between people. People are transient: today they exist and tomorrow they may not be there. They can disappear as a result of a tragic event, as the one that occurred, and also as a result of changes and political upheavals. The moment a man disappears with whom you were tied in the closest personal alliance, the country has no grounds to demand its rights. A country can only demand the fulfillment of its rights on the basis of a signed peace treaty.

[Question] Mr Sharon, let us wind up the Lebanese issue. The negotiations for the removal of the Syrian and terrorist forces from Lebanon will soon begin: If these negotiations fail, will you support the removal of the Syrians by force?

[Answer] We are not just talking about the Syrians, but also about the remnants of the terrorists in northern Lebanon and in Al-Biq'a'. Today there are some 1,000 terrorists near Tripoli in northern Lebanon and some 4,000 of them in Al-Biq'a'. Israel's demand [drishata] is first and foremost the removal of those. Naturally, we are also demanding the withdrawal of the Syrian Army. We are not talking here about expulsion. Expulsion took place in Beirut, where they had no other choice. Here we are talking about an evacuation that is done willingly. We are also talking about the pullout of the Israeli forces.

I hope this operation will be done through negotiations, because Syria has problems. In the final analysis, we are 25 km away from Damascus today: This is not to say that we are interested in attacking Damascus, but contrary to the previous situation where if Syria had stationed its 180-mm cannons in southern Lebanon it could have reached the suburbs of Haifa. Today all of Damascus is within range of the Israeli cannons. It is not that I want to shell Damascus. In general, I do not think it is necessary to fight the Syrians. But Syria has a problem, and it will have to give thought to and decide which it would prefer. I think the Syrians will reach the conclusion that it is better not to have this threat, and withdraw.

I hope this is how things develop, and I think this will be the correct consideration and calculation. I think one should not--indeed, it is wrong--to

ask the question: Will you never want to use force: Even if you do not want to employ force, sometimes saying that you would not do so could force you to have to use it. In my opinion, one of the most outstanding examples of this is the Beirut affair. We did not want to enter west Beirut. We did not want to, but the more the talk, the calls, the articles and the protests grew louder, the more likely this seemed to the terrorists. To my regret the time is not yet ripe to reveal these facts, but when they are disclosed they will be unbelievable, amazing facts as to how these things had an effect. This is to say that in order for one to be able to attain things through negotiation and not through war, one should not come and constantly demand the answer to the question of whether you want to operate by force or not. I hope and believe that the Syrians will understand that this is a subject that should be resolved through negotiations.

[Question] But Mr Sharon, it is precisely your political adversaries and enemies who argue that you, Ari'el Sharon, know only one way of achieving goals--force. It is said that your main trait is that you love to use force. They give many examples, which I will refrain from bringing right now. Is that so? Are you a believer in force alone?

[Answer] It is hard for a man to talk about himself in such a context. But still I will try to answer this, because this is a very interesting question. First of all, in terms of the image: I do not like this word, and I would like to explain why. Once, before public relations and publicity companies were invented, people all over the world talked about figures, real leaders. Once people dealt with figures. Today people deal with images. People buy and sell images, which in very many cases and very often are nothing but paper or wax dolls which the public relations and media companies try to present to the public as the figure of real, staunchly determined leaders. In my eyes, then this term of image is insignificant. What counts in my eyes is what a man does, what he creates, and whether he has extraordinary, special ideas. Then to me he is a figure in the village, in the town, in the medical sphere, in science, in agriculture and of course in the army and in the field of defense.

Following this extensive prologue, you will not doubt understand that to me it was and still is more important what I have done and will do in the positions I have filled throughout my national service, rather than what people might say or write about me. This to me is totally secondary. In order to conclude this subject, I would like to say that in addition to this there are various elements, political and other, in Israel and outside it who quite viciously--certainly not innocently--and constantly try to build around me what they call the image of a man who approaches problems only through force. I know that these enemies of mine deal with this day and night, for obvious reasons and with clear intentions. Perhaps this is why they are always taken by surprise by my moves which require something other than force to execute.

[Question] Mr Sharon, let us perhaps also discuss another issue that may be connected to your image: the political establishment has been treating you with a great deal of skepticism and suspicion which generated the many stories and reports on the cabinet, questioning whether all the decisions and all the subjects were brought to the cabinet. What do you think is the source of this suspiciousness toward you?

[Answer] Usually I do not deal with rumors or hearsay. I deal with the main issue: work. Israel is a democracy, perhaps it is more of a democracy than any other democracy I know. In Israel everything is stated, and everything is written. Elections are democratic; the government is elected democratically; the cabinet is a coalition; decisions are adopted by majority rule. It is natural for people to hold various views, to have different opinions. People fight for their views and positions. I think this is legitimate, and I would regard with great severity a situation where matters had been determined by one figure and stood on one man's decision, or were shaped on one model. One of our problems is that we constantly nibble at the edges of our successes and achievements, on our sense of justness. It has reached such absurd dimensions that we have reached an erosion of our feelings of the right to defend ourselves.

[Question] Who does the erosion in this matter, Mr Defense Minister?

[Answer] There is no address here. I am talking to all of us, to myself and to others alike. I say: I am proud of living in a democratic country, where a man can say whatever he wants. I am proud that we have presently undergone a period of war in which there were very deep internal differences--in part real, some of them sincere and honest, the others deliberate and this is grave. Still, both exist in a democratic regime and it is a good thing opinions can be expressed.

[Question] You constantly move the conversation from your personal aspect to more comprehensive aspects. In other words, to infer from your remarks, you do not think by your personality you have been contributing to the suspiciousness in the political establishment toward yourself nor do you believe that you constitute a danger to democratic processes?

[Answer] I, according to you, transfer this to the general, national subjects because this is what I deal with. I began by stating that I do not deal with these rumors. Never in all my life, throughout my public life--and a military path is also a public path to some extent--did I plot with one man against someone else. Never. I do not deal with these things. This is why I did this--not because I wanted to evade the question but because I deal with the general issues.

As for the specific question, I think that if we want to take your question seriously, I should not have even answered it.

[Question] Mr Defense Minister, you noted that you deal with the central national subjects, but there are national issues that are not under your jurisdiction, since they are not security matters, but which still bother the Israeli public very much....

[Answer, interrupting] How many subjects can one person deal with?

[Question] True, but we have not heard your opinions on, say, the question of state versus religion or Agudat Yisra'el. What, for instance, is your opinion on closing El Al on the Sabbath? Are you for it or against it? We have not heard you talk about these things?

[Answer] First, as a cabinet member, I take part in all the cabinet deliberations, not just on issues that pertain to my ministry, just as other ministers deal in great detail with subjects related to my ministry. If you ask me about El Al, I will give you an answer.

[Question] That was just an example.

[Answer] In my opinion, in a Jewish country a national carrier should not fly on the Sabbath.

[Question] Would you have supported this even if there had not been the coalition agreement? Do I read you correctly?

[Answer] I would have supported it even in the absence of the coalition agreement. I think it is necessary to find a way for a national airline to be set up in such a way that it could sustain itself even without flying on the Sabbath. There were times in Israel where there were limited flights on Sabbath, but slowly this grew. I think that Israel should be a special Jewish country. I am not an observant Jew. That is to say, I see myself as a believing man, but not as an observant one. I observe...

[Question, interrupting] The dietary laws?

[Answer] I would not say that I observe Kashruth, but I will certainly not eat something forbidden by the dietary laws. And certainly I would not put in my mouth anything that comes from a pig. I refrain from doing this as a Jew, I say, not as a religious person. What moves me in this respect is the fact that for millennia Jews were prepared to march up the gallows over this, and I feel a part of the Jewish people. I am proud to be a Jew and I think every one of us should be proud to be Jewish, and I feel this historic responsibility. However, circumstances have made it so that as one who grew in a nonobservant family for almost two generations I am not a religious man, but I am a believer.

I think the State of Israel should be a unique Jewish state. Were this not a special country--and this is not to say only in this field but in a host of things--it would be very difficult to sustain it. It is difficult to maintain a country of such a size, surrounded by such problems and still surrounded, I would say, by a world of hatred--and it will remain encircled by hostility for many years to come. Israel will only be able to survive if there is in it something special that would lure the Jewish people either to immigrate or to support it or to show interest in it so as to arouse interest among the non-Jewish world in its uniqueness. This could be in its being a country that serves as a world science center, or a world medical center, an international music center. I only addressed myself to occupations I would call Jewish occupations. All of them are within our reach. In my opinion only if we aspire toward these goals could we continue to exist. Among those to be striven for should be the unique Jewish nature of Israel.

[Question] You were talking about a Jewish country, but you did not address yourself to the individual in Israel, that person who wants to drive on the Sabbath or fly on that day or do all his activity. Why does he not deserve this?

[Answer] I think that in Israel a man has the freedom to do what he wants. If you ask me whether I, God forbid, support the hurling of stones along the Ramot road, my answer is an unambiguous no. In my opinion, it is necessary to take the most extreme measures against this.

[Question] What about soccer on Saturday?

[Answer] If this takes place in a center of religious population, I would not do this. If we are talking about a place located in the midst of a non-observant population, then without a question, yes.

The last and most dangerous thing that could befall us is that we should find ourselves embroiled in a cultural war between Jews against the background of religion. A chance must be given for everyone to exist and live next to each other.

[Question] Mr Defense Minister, perhaps another question about your relations with the media. It is an interesting fact to note that in the last emergency convention of the Israeli correspondents you were the only minister mentioned as an element endangering the freedom of the press in Israel.

[Answer] I am in favor of a free press. I believe in the possibility of writing everything and anything. In my heart, I have never felt, and certainly never did I give its expression, any complaint over positions. As I see it, it is possible to attack any position. Moreover, I do not only think it is possible, but sometimes it is a right and at times even an obligation. If a person thinks a certain position should be attacked, then everything is legitimate. I have one objection, though, and that pertains to the sphere of facts. I think that facts should never be distorted.

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HARIF COMMENTS ON SHARON-DRAPER TALKS

TA180803 Tel Aviv MA'ARIV in Hebrew 17 Sep 82 pp 15, 38

[Commentary by Yosef Harif: "In His Home on Sunday, Bashir Told Arik: 'Do not Worry, We Have Stepped Onto the Road of Peace and There Is no Going Back From It'"]

[Excerpt] When news of Bashir's death reached Prime Minister Menahem Begin and Defense Minister Ari'el Sharon, after his mangled body had been identified by an IDF officer, it became perfectly clear to them that this shock to Beirut must not be seized upon by the thousands of terrorists still remaining in the city as the opportunity they were waiting for to turn the clock back in Lebanon. This is why, in consultation with the defense and foreign ministers at midnight on Tuesday the prime minister ordered the IDF to advance into west Beirut.

No sooner was the order given, than a Hercules airlift started landing thousands of IDF troops at dawn at points carefully selected for the encirclement of all the concentrations of terrorists and their collaborators, and to take control of all the vital crossroads.

Defense Minister Ari'el Sharon left at dawn so that he could personally follow firsthand the opening moves of the operation.

After 0800 on Wednesday, from the rooftop of a ruined building north of Al-Awza'i, standing beside Chief of Staff Lt Gen Refa'el Eytan and Commander of the Northern Command Gen Amir Drori, Sharon phoned the prime minister with the announcement: Our forces are advancing to their objectives.... I can see them with my own eyes....

On Wednesday at 0900, Ambassador Morris Draper came to the prime minister's office to discuss implementation of the second stage of the Habib agreement: the withdrawal of all foreign forces from Lebanon. Begin greeted him with the unexpected tidings: "Mr Ambassador, I wish to inform you that as 0500 our forces have been moving to positions in west Beirut...."

The special envoy, assigned to arrange the withdrawal of "foreign forces," was surprised, if not stunned, but did not react negatively. Begin explained to him the purpose of the new campaign. "Our sole purpose is to preserve peace in the city (Beirut), because in the situation created through the

murder of Bashir Al-Jumayyil, pogroms are liable to erupt there." Draper sought in his own way, without clashing with the prime minister, to make sure that the objective was indeed a limited one: "I am glad to hear that the operation in question is restricted and very limited in scope," he said again and again in the course of the conversation, and Begin replied in the affirmative. It looked as if the Americans showed understanding for this kind of Israeli operation, since following the withdrawal of the multinational force a few days earlier the IDF was the sole force capable of preventing a terrible bloodbath in Lebanon. These were the initial mild reactions by Draper and Ambassador Samuel Lewis, who accompanied him to the talks with the prime minister. Only later in the day, when the media began to report the expanded Israeli operation, giving the impression that this was not just a matter of isolating hawkish forces and preventing pogroms, but something like a total takeover of west Beirut, did the Americans change their tone. In Washington, U.S. Secretary of State George Shultz talked to Ambassador Moshe Arens in less restrained terms and wanted to hear an explicit statement of Israel's intentions and to get a deadline for the Israeli withdrawal from Beirut.

The sensitivity characterizing U.S.-Israeli relations since the public collision between the prime minister and the U.S. President following publication of the Reagan plan, seems to have also marked the dialogue this week following the "seizure" of west Beirut. It was Draper who in his conversation with Foreign Minister Shamir, after hearing what he had heard from the prime minister, said that "coordination" was needed between the two countries and that there had to be "close contacts." Then, as further reports made the situation clear to the Americans, Washington toned down. There is no reason why Draper's request for "full coordination" and "close contacts" should not be met in light of the latest events. But this largely and primarily depends on Washington. Accordingly, before Shultz demands anything of Arens--that is, of the Israeli Government--he should first make it his business to obtain authoritative information from Jerusalem.

But there would seem to be something more seminal that needs coordinating, in order to eliminate misunderstandings between Washington and Jerusalem in everything to do with stabilizing the Lebanon situation. Israel believes that to meet this need, the constant need for intermediaries can be dispensed with. To get the Syrians out of Lebanon--as Sharon put it to Draper--your (American) mediation is required. And to get the terrorists out of there, your mediation is necessary. To arrange matters between Israel and the Lebanon Government, there is no need whatsoever of U.S. mediation. This issue also came up about 2 weeks ago in a conversation between Sharon and Draper, when the latter came to submit a request from Lebanese Prime Minister Shafiq al-Wazzan, that Israel withdraw all its forces from Beirut's international airport and thereby permit its reopening to traffic.

The dialogue between Sharon and Draper could illustrate the differences of approach between Washington and Jerusalem and, by the same token, the potential misunderstandings liable to crop up day after day, unless there is real coordination or at least an endeavour to understand Israel.

Draper told Sharon, regarding the "complete evacuation" of the Beirut airport by the IDF, as per Al-Wazzan's request: "...I am only a postman, Mr Defense Minister, I only wish to pass on what the Lebanese prime minister asked of me. He claims that, failing this, he would be unable to operate the international airport...."

Sharon, feigning naivete: Why? Amir (he turns to the commander of the Northern Command), Raful (he turns to the chief of staff), I think we cleared the runways of all explosives, is that not so?

Amir Drori: Yes, the airport has been ready for use again these past 2 weeks....

Sharon: So what is the problem in operating it?...

Draper: They (the Lebanese Government) pose a condition, that the military part of the airfield, which you are using, be evacuated....

Sharon: We cannot agree to that. (Last week he said: Imagine what would have happened if 2 weeks ago we had evacuated the airfield and not left our Hebrew-speaking man in the control tower....)

Draper: I am only a "postman".... I am only telling you what Prime Minister Al-Wazzan is asking....

Sharon: Why, my friend, do you have to get into all this? Let us handle the matter. We shall manage to arrange things with them.... We shall speak to the Lebanese about peace, about security arrangements and where our forces will be stationed--up to their final departure....

Draper: Do you want us to discuss it with this government? There is soon going to be a new prime minister, and you can discuss it with him....

Sharon did not conceal his opinion of Al-Wazzan, whom he regards as "simply hostile."

Draper: But you will agree with me, Mr Minister, that Al-Wazzan helped to get the terrorists out.... So perhaps a gesture should be made in his direction.

Sharon: And why are we being shown no consideration? What are we demanding? Merely that a limited space be allotted us in the airport. Permit me to recall something which others for some reason do not recall. It is we, after all, who liberated Al-Wazzan's city, freed it of the terrorists.... And this did not happen because the marines came to the port of Beirut.... Who got the terrorists out? Perhaps you will also voice a few kind words about Begin, the Israeli prime minister, and not only about Al-Wazzan.... Why are you so impressed by him? Begin contributed more to getting us where we are today in Lebanon....

Draper: ...Al-Wazzan did a lot and he wants to go on doing things....

Sharon: If he held, I would like to shake his hand and thank him for helping expel the PLO (but, as everyone knows, Al-Wazzan refused to meet with Sharon)....

Draper: But you do not wish to discuss anything with him..."he is a has been," you keep saying.... All the same, I want to explain to you his position: He thinks he will not be able to operate the airport so long as you are there, because the Arab countries will not allow their airlines to land at Beirut airport if the Israelis are in control there....

Sharon: No, that is not so. We are in Beirut, and we are on the Beirut-Damascus highway, and we are in southern Lebanon. How can it be argued that just because we are on the edge of the airfield, they refuse to fly?

Saig (head of IDF Intelligence Branch): Piffle!

Sharon: It is much more important, Mr Draper, that we treat the more serious outstanding problems, such as how to ensure that terrorism does not return; how to reunite the city and how to lift the barricades. If that does not happen, then we will not budget from any place.

And in sum, Mr Draper, on hearing what I have heard from you, the impression is created that we are sort of the "forgotten ally." We do not expect to be praised, because we have not come to gain the sympathy of Mr Al-Wazzan, but to destroy a center of international terrorism.... At the cost of the blood of our troops we have done what we have done, because it was necessary for our survival. We will not do anything just to win someone's fond attitude, including Al-Wazzan.... In general, why do we always have to go looking for "world sympathy"?...

Draper (trying to wind up the conversation on a more positive and encouraging note): The governments of Lebanon, Israel and the United States have common goals--the removal of the terrorists, the removal of foreign forces and the establishment of peace between Israel and its neighbors....

Sharon: We shall handle all the issues you have raised, Mr Draper, but it is worth remembering that we are not children.... We shall conclude everything that is necessary, but not with Al-Wazzan.... We shall wait for the new government.

When this conversation was terminated at the defense minister's Tel Aviv office, the formation of a new government in Lebanon was thought to be only a matter of time. Fate tossed the already complex and confused process into the unknown, with the death of the president-elect. Not only did the IDF not evacuate the fringe of the airport at Khaldah, it took control of all of west Beirut.

This week Ambassador Draper returned to the area to commence talks on the departure of the foreign forces from Lebanon and to attend the inauguration of Bashir Al-Jumayyil as president. Instead, he attended his funeral, which goes to show that in this region a single bullet may turn all things topsy-turvy. To avert this total disarray, the IDF made haste to take control of some crossroads in west Beirut, in an endeavour to stop further deterioration of the situation in Lebanon, a country torn by dissent and perched on the edge of an abyss.

As for the United States, as is its wont of late, it voiced "concern." Israel does not want anything more than what the United States and Israel jointly defined as their goals in the course of the Peace for Galilee operation, but also no less than those goals--namely, an independent Lebanon, not under control of the Syrians, the terrorists and their stooges; and the establishment of peaceful relations with Israel, even if a formal peace treaty is slow in coming.

It is to this that the president-elect, Bashir Al-Jumayyil aspired. The entry of the IDF into west Beirut last week, with the intention of getting out again as soon as possible, is apt to serve the common interests of Israel and the United States. There is no reason whatsoever for the United States to be "concerned."

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SHAMIR INTERVIEWED ON POLITICAL AFFAIRS

TA171501 Tel Aviv HATZOFE in Hebrew 17 Sep 82 p 6

[Interview with Foreign Minister Yitzhaq Shamir by Ya'akov Edelstein--date and place not given]

[Excerpts] [Question] Would it not have been preferable to not reject the Reagan plan immediately but say that we reject the negative clauses contained in it while viewing the positive clauses sympathetically, and thus not trigger the U.S. Administration's fury?

[Answer] There was no choice. We had to reject the plan. Its principles are unacceptable to us. Its becoming a reality would have harmed our vital interests, so that the rejection is not just a tactical move. It stems from a position of principle. As for the development of relations in future as a result of the rejection, this is hard to predict. It is not the first case of differences of opinion between the Americans and us, even on the very same issues. These disagreements have not always brought about crises, and if they did they are in the past.

It is true that some of the points in the plan sounded nice to the ear, but we had to adopt a drastic measure since the plans' principles are dangerous to our security. We must uncover the gap between the nice words and the practical conclusions laid before us. We hope that our friends in the United States will soon notice this disparity and understand our position.

[Question] Is the Jewish community in the United States divided on the Reagan plan?

[Answer] To say that it is divided would be exaggerated. There are disagreements which feed on the voices of opposition reaching them from Israel. However, thanks to our information and the information of our representatives in the United States, a united front is emerging toward rejecting the new ideas.

[Question] Do you share the opinion that MK Peres contributed to the birth of the Reagan plan?

[Answer] There is no doubt that he and his friends, with their covert and overt support, reinforce those who stand behind these ideas which, in our opinion, carry much danger for the future of the State of Israel.

[Question] Is there a chance that a peace treaty will be signed between Lebanon and us?

[Answer] An objective analysis of conditions leads to the conclusion that it should be in Lebanon's interest to maintain close relations with Israel in all spheres. In our opinion, the expression of these relations should be a peace treaty. I hope that any regime in Lebanon will reach such a conclusion.

[Question] Did Israeli-Egyptian relations stand the test of the Peace for Galilee operation?

[Answer] The period of war in Lebanon is, in a certain sense, a test for the peace treaty between Egypt and us. There have been similar tests in the past but this time, due to the scope of the operation, the test was much sharper. The Egyptian communications media adopted a fierce and grave position against Israel. Much slander has appeared in the Egyptian press, reminding one of the days before the peace treaty. Despite this, hostile manifestations toward Israel are not seen in the Egyptian public and the man in the street. The attitude of the average Egyptian toward Israel has remained as it was.

Normalization was curbed and there is even some regression. The Egyptian representatives claim this is an ephemeral phenomenon, and that everything will revert to normal after the war in Lebanon is over. However, it should be noted that there are no breaches in the Egyptian loyalty to the peace treaty and in the meticulous maintenance of the military annex of the peace treaty. The Egyptian leaders repeatedly demonstrate their faithfulness to the treaty, just as they honor their adherence to the Camp David accords.

[Question] What is the state of relations between us and France? Is there a further worsening in relations in view of the recent events?

[Answer] There is sharp disagreement over the attitude toward the terror organizations and the entire Palestinian issue. In this context, there are occasionally statements which create a storm. Some deterioration in bilateral relations has taken place due to this. The French emphasize their desire to continue normal relations with Israel, and to hold a continual dialogue even if it uncovers many and deep differences of opinion. There is a live and intensive contact between the embassy in Paris and the French Foreign Ministry and Elysee Palace.

[Question] Has a crisis occurred in the relations between us and the European Common Market due to the war in Lebanon?

[Answer] There are certain manifestations of slowing-down in the cooperation between us and the European Common Market. Most of the delays are due to the Peace for Galilee operation. We take action to cancel them. We maintain normal relations with all the Common Market countries. I will meet all the

European ministers in New York during the UN General Assembly session. I will have an opportunity to discuss all the issues concerning them and us. There is a mutual desire to tighten relations between us and the Common Market members.

[Question] Is there a chance that more countries in Africa will follow Zaire, which resumed relations with Israel?

[Answer] We continue to maintain close relations with several African countries. There are contacts for cooperation with them, while we constantly aim toward reaching full relations. There are chances that some countries will follow Zaire. We know about the internal struggles of some African leaders who believe there is no justification for the existing situation. However, they are deterred from adopting a decisive move for fear they will be harmed in spheres in which they are tied to the Arab countries. The impression is that ultimately they will decide to adopt a move which is compatible with their views, and overcome the fears.

[Question] What should we expect in the upcoming UN General Assembly session in which you will participate?

[Answer] There is nothing new on the UN front. There will be no lack of attacks on Israel, just as we experienced attacks in the previous sessions. I believe we will be able to cope with them.

[Question] Do the Reagan plan and Husayn's remarks not reflect the so-called Jordanian option?

[Answer] Husayn said he hopes for a confederacy between Jordan and the Palestinian state which will be set up. Is this the Jordanian option? It means that any Palestinian state which will emerge will have to decide on the guardianship of Jordan. As far as we are concerned I do not see a big difference between this option and the Fes summit resolutions on establishing a Palestinian state. Husayn's remarks do not detract at all from the gravity of the danger inherent in this option.

[Question] In view of the criticism leveled against Israeli information during the Peace for Galilee operation, do you continue to hold the view that an Information Ministry is unnecessary?

[Answer] I do not see any benefit in an Information Ministry. This will not remedy the ills and evils. It will not solve the problem of our image in the world. It is clear that if the appropriate means were put at our disposal, we could have done more in the sphere of information. All those who support the PLO and the idea of a Palestinian state--the Eastern Bloc, the Arab countries, some of the Eastern European countries, the Third World--did not rush to the aid of Lebanon and the PLO. All those who did not rush to the PLO's aid on the front, when we fought to get it expelled, all of them will be enlisted for any act of slander against us. Our task is to explain our position anywhere in the world and bring our message to the communications media. We have done this and will continue to do so in the future. Nobody expects us to extend our spirit in order to impose our view everywhere. [sentence not published]

The appointment of a deputy minister for information affairs does not solve the problem.

We continually make efforts to improve the information system with the means at our disposal.

[Question] What did the Foreign Ministry's representatives do in order to prevent Yasir 'Arafat's meeting with the pope?

[Answer] We worked hard to prevent this disgrace. The argument of the Vatican is that any man received by the Italian president is also invited to a meeting with the pope. We see this meeting as a blow to the values of human morality. This is encouragement for terrorist activity, not only in Israel but in the entire world.

[Question] Do you support early Knesset elections?

[Answer] There have not been consultations in the Likud circles on this issue in the meantime. It is possible that no such consultations will be held, since the prime minister believes he should consult with the coalition partners. If they disagree, the issue will not be raised. As for the war of succession, over the successor to the premiership, this is a journalistic invention. Ever since I became a Herut activist I have gotten used to hearing stories about the war of succession. I heard of it even before the Likud assumed power. The matter is not current now.

CSO: 4400/503

'MA'ARIV' COMMENTATOR ZAQ URGES BREAK WITH PHALANGISTS

TA201927 Tel Aviv MA'ARIV in Hebrew 20 Sep 82 p 5

[Commentary by Moshe Zaq: "Severance of Contract"]

[Text] We are guilty, but we did not betray.

We are ashamed and remorseful, but we neither murdered nor covered up for the murder.

We are guilty of not having managed to prevent the shocking massacre carried out by the "Phalangists" on the Palestinian refugee camps in the Shatila and Sabra refugee camps in southern Beirut.

We are ashamed of the base deed committed right under our nose. We feel remorse at not having been able to preempt such a heavy blow to ourselves; shame will cover our faces in view of the provocation perpetrated by the "Phalangists," who have dealt us a blow and also harmed our pride and our most vital interests.

We are ashamed that in the days when Israel controls all the main junctions of Beirut such a tragedy could occur.

However, we did not betray our ideals, nor will we cover up for murder.

There is no point in arguing to prove that the blame actually lies on the Lebanese Army's shoulders for having failed to enter the refugee camps, as agreed upon in the agreement reached by Philip Habib, thereby leaving a vacuum which served as an attractive invitation to the Phalangists.

Nor does it reduce the feeling of shame enveloping all of us today over the fact that those who were our allies, the members of the Christian militias in Lebanon, could carry out such an act.

We, no doubt, have many arguments ahead to ease our feeling of guilt, for it it were not for the IDF that the "Phalangists'" murderous fit, the pogrom could have been much worse. We are also entitled to ask those who condemn us, those who did not want us to enter west Beirut, and what they think would have happened had we not been there.

All these contentions are justified, but they cannot lift the weight from our breasts.

It is not the condemnation that Christian countries have been leveling at us over the shocking deed done by Christians in Beirut that worries us, but the stain with which they have painted our regime.

The war in Lebanon is bespecked with cruel massacres, with the milestones on this path being: Al-Damur, where the Christians massacred the Christians; and Tall Al-Za'tar, where Christians murdered Palestinians.

The Al-Za'tar example should have constituted the warning signal for us, when, after the Syrian Army conquered and subdued the camp, Phalangists entered it and wrought havoc on the Palestinians. We should have realized whom we are dealing with and supervised them more carefully, but in the wake of the shock caused by the murder of Bashir al-Jumayyil, perhaps not all the pre-emptive measures were adopted, and so what shocked all of us took place.

The "Phalangists" did not participate in the military operations throughout the war, not even those around Beirut (except for one, involving the capture of the science faculty building) for fear that their lax disciplinary rules might besmirch our war, which was marked by so many moral inhibitions. We restrained them, preventing them from actively participating in the war. We knew we had to watch over them so that they would not go mad in west Beirut. We hoped the Lebanese Army would enter and establish order but, unfortunately, the Lebanese Army took its time in entering, and the Phalangists rushed to enter the refugee camps. Our alert was not sufficient and so not only did they slaughter hundreds of Palestinians, they also stabbed us in the back by violating the pact they signed with us 7 years ago, staining our just war.

Syria could have afforded to have thousands murdered in Tall Al-Za'tar within the area under its control in Lebanon because Syria itself was capable of massacring thousands of opponents of the regime in Hamah and has no conscience pangs, experiencing no guilt at all.

Israel, all of it, regardless of differentiation into coalition or opposition, cannot tolerate such an act and cannot accept an ally that is capable of doing such things. Large superpowers can court Iraqi strongman Saddam Husayn, whose hands are stained with the blood of those he liquidated with his own hands.

The pope can even shake the hand of Yasir 'Arafat, under whose instruction thousands of Christians were also murdered.

But it is hard for us, a day after the shock, to go on with a "business as usual" attitude with the "Phalangists."

Although we know that those are our neighbors, these are the rules of vendetta that prevail all around us; but it is hard for us to get accustomed to those rules just as it is difficult for us to accept a hostile environment.

The forgiving attitude demonstrated by the nations of the world toward the PLO and the wall of isolation the regional countries imposed on us are the ones who forced us to seek allies in the Middle East without checking their record carefully. This was the basis on which the cooperation was established with the Kurds in their war in Iraq and later with the Lebanese Christians in their opposition to the PLO takeover of their land.

Not always did we agree with the actions of the Lebanese Christian forces, certainly not their internal strife, waged between various clans. However, the choice and variety of elements that were ready to be our allies was not broad, which is why we post factum accepted all the ups and downs in the relations with them.

We did not shoulder the moral responsibility for their deeds as long as we were far away from the scene of the action, but when we are sitting in the heart of Beirut we cannot afford to let them exploit our stay there to let their tempers run wild, let their blood vengeance tradition roam freely and make allowance for their tantrums.

The only way to shed responsibility is to sever all contact with the "armed Lebanese forces," or the "Phalangists." This is not to say severance of links with the top Lebanese political leadership, that which is to establish the new Lebanese Government, not a severance of ties with the Lebanese Army which is to receive supervision and guard over Beirut, but a severance from the "Phalangists." That is warranted in order to clean us of any shadow of a stain of responsibility for their deeds.

CSO: 4400/503

SETTLEMENT CAMPAIGN SAID TO DROP MARKEDLY

TA200857 Jerusalem THE JERUSALEM POST in English 20 Sep 82 p 3

[Report by Avraham Rabinovich]

[Text] The frenetic pace of settlement of the West Bank during the last five years when work was begun on some 15 new settlements annually will level off to an average of one a year during the next three decades, an official of the settlement department of the World Zionist Organization said yesterday.

The main thrust in the future, said Ze'ev Ben-Yosef, will be populating existing settlements rather than establishing new ones.

There are presently 103 settlements existing in the West Bank or under construction, said Ben-Yosef, an aide to department chairman Matityahu Drobles. He gave their population at 25,000.

Before the Likud government took office in 1977, Labour governments had established 24 settlements on the West Bank with 3,500 residents--mostly in the lower Jordan Valley, which is sparsely settled by Arabs. Likud-sponsored settlement has been mostly in the heart of Arab-populated areas.

According to a plan proposed by Drobles--but not yet approved by any official body--another 20 to 30 settlements would be built on the West Bank by the year 2010. By that time, he estimates, the Jewish population in the area would be 1.4 million and the Arab population 1.6 million. Today there are some 700,000 Arabs and 25,000 Jews, said Ben-Yosef.

The proposal, said Ben-Yosef in an interview, also takes into account Arab growth needs in housing and employment opportunities.

"Our planners have found that there is plenty of elbow room in Judaea and Samaria for three million Jews and Arabs," he said.

Drobles' projection was challenged by a spokesman for Ra'nan Weitz, who shares the title of settlement department chairman with Drobles--but not his politics. The likely Arab population in the area will be far greater than the Drobles projection by 2010 and the Jewish population far smaller, said Weitz's spokesman David Angel. He also said that the total number of existing settlements in Judaea and Samaria was about 80 and the total Jewish population not more than 8,000.

On the Golan Heights, there are 35 settlements with 10,000 residents, according to Ben-Yosef. There are proposals for doubling this population figure in the next three years and adding some new settlements in the central Golan.

The Gaza Strip has a dozen Israeli settlements with close to 1,000 residents, said Ben-Yosef. There are plans to bring this population up to 10,000, he said, but no target date has been set.

Last week's decision by the ministerial committee on settlement to establish seven new settlements was not a defiant act aimed at the Reagan proposal for peace in the Middle East, said the spokesman. "The agenda had been drawn up weeks before," Ben-Yosef said. Committee chairman, Deputy Premier Simha Ehrlich, had stated this in passing, but did not stress it, said Ben-Yosef, because the government did not wish to seem apologetic about its action.

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ISRAEL

IDF PREPARATIONS IN LEBANON TO COST BILLION SHEKELS

TA171006 Tel Aviv HA'ARETZ in Hebrew 17 Sep 82 pp 1, 2

[Report by the military correspondent]

[Text] Moving IDF camps to Lebanon, the construction works for the IDF, and the paving of new roads in preparation for the winter will cost Israel more than what it cost to move the IDF bases from the Sinai to the Negev. A first estimate puts the cost at about 1 billion shekels.

It emerges that the IDF's consolidation activities in Lebanon in preparation for the winter are more costly than first estimated. In order to withstand the rainy and snow season it was necessary to have the engineering corps and public works department pave more than 100 km of new roads and improve more than 450 km of existing roads. To carry out construction in Lebanon the IDF has mobilized more than 50 civilian contractors, who will be employed in building and paving in various parts of Lebanon in which the IDF is positioned.

Among the camps that have been moved to Lebanon from the south are all the structures that served the Thai and American workers in the operation to build the Negev air bases.

These structures were first specially insulated in preparation for the winter. Other structures, already found in the field, are undergoing construction and renovation work--including the establishment of water and electricity systems--so that our soldiers can use them in the winter. The IDF also purchased a large number of containers to serve the IDF as living quarters or as dining or other facilities. These containers also were insulated to withstand the cold. One of the containers was readied by the head medical officer's headquarters for use as a installation for treating victims of the cold. This installation will contain various oxygen equipment and baths for treating victims of the cold.

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RABIN CALLS FOR RETURN TO CAMP DAVID PROCESS

TA180654 Tel Aviv YEDI'OT AHARONOT in Hebrew 17 Sep 82 p 6

[Commentary by Yitzhaq Rabin: "To Get the United States Back to Camp David"]

[Text] The end of a year is a good time for summing up the past and assessing what lies in store for us in the future. The new 5743 year is overshadowed by two security-political events which will continue to be prominent in the Israeli public debate: the war in Lebanon and its results and President Reagan's initiative for a peace settlement on our eastern border.

This public debate demonstrates the fundamental difference in the conceptions of the Likud and the Alignment and this difference must be analyzed in the light of Israel's moves in the future.

The recent developments in Lebanon--the murder of President-elect Bashir al-Jumayyil and the IDF's entry into west Beirut--have expanded and deepened Israel's involvement in Lebanon's internal affairs. The Alignment's position was and still is that the IDF actions in Lebanon are justified if it is intended to safeguard the security of the northern settlements and to uproot the PLO terrorist organizations from southern Lebanon and Beirut. The Alignment did not see and still sees no justification in using the IDF and risking the lives of its soldiers to remove the Syrians from the entire Lebanese territory or to interfere to establish the government Israel desires in Lebanon. Government spokesman reiterated that Israel would not have set out to war to achieve these goals. However, in actual fact, we are witnessing a process where Israel is getting gradually involved in Lebanon's internal affairs.

What will happen now? We have gone into west Beirut. Does anybody really conceive that within a short time we will be able to eradicate all the pockets of resistance to the Phalanges? Will we stay there until a replacement is found to Bashir al-Jumayyil who will be able to maintain law and order in west Beirut with the help of Lebanese forces? We all know that such a Lebanese force does not exist and that its establishment would take many months, if not longer. In spite of the IDF's success in driving away the bulk of the PLO forces from Lebanon, the country remains split, divided and torn. It would be illusory to assume that by means of a short operation in west Beirut we will be able to assure the establishment of a stable government in Lebanon. And, what is more, do we really want to undertake this mission, a mission in which they Syrians and every other foreign force preceding them have failed?

As I see it, Israel must establish for itself clear lines of behavior in Lebanon. The main goal for which we must strive is assuring Israel's security. A situation must be created—either by an international force which would replace the IDF or by means of an effective Lebanese force--where there are no terrorists in an area of 40 to 45 kms north of the Israeli border. Another goal which Israel should seek is the withdrawal of all the foreign forces from Lebanon. This issue is currently being negotiated through the offices of the United States and as long as the IDF's presence is necessary to achieve this goal, it must remain there.

Nevertheless, we should end our involvement in Beirut proper as quickly as possible. A continued Israeli presence there will only entangle us in Lebanon's internal affairs, nothing more. Any attempt to turn the IDF from a tool for protecting Israel's direct security interests into a lever for achieving far-reaching political objectives will fail. Therefore, Israel must adopt this principle before we find ourselves deep in the mud of the Lebanese quagmire.

The war in Lebanon had political implications for the Palestinian issue. First of all, the PLO's military strength was dealt a severe blow. The PLO no longer has a real base for launching operations against Israel in any of our neighboring states. Secondly, the war in Lebanon has strengthened the world's awareness of the urgent need to find a solution to the Palestinian problem. Third, a serious erosion in Israel's standing has occurred in U.S. public opinion in view of the special character of this war and, particularly, due to the pictures of destruction and harm inflicted on civilians as portrayed by the media. It is against this background that one should look at President Reagan's initiative to resume the peace process on our eastern border.

When we set out to examine this initiative, we had better bear in mind that we are already in the midst of a peace process based on the Camp David accords which were signed and ratified by Israel, Egypt and the United States. These accords stipulated three phases for reaching peace with Egypt and Jordan. The first phase materialized through the signing and implementation of the peace treaty with Egypt. The next two phases deal with the issue of reaching peace on our eastern border and finding a solution to the Palestinian problem. It was rather wise to split the peace process in this region into two stages since any attempt to reach peace in one move would have necessitated an immediate decision on the issue of the borders, the future of Jerusalem, the sovereignty over Judaea, Samaria and the Gaza Strip and a permanent solution to the Palestinian problem.

The gap between Israel's positions and those of Egypt and the United States on these questions would have destroyed the peace process. Therefore, a transition period of 5 years--the autonomy--was agreed upon. The autonomy must on the one hand award security to Israel by leaving its forces and settlements in all the areas of Judaea, Samaria and the Gaza Strip; on the other hand, it must enable the Palestinians to form a self-rule authority to run their affairs, with the exception of foreign and defense policies. This would be done without making any decisions on issues related to the permanent solution. Only after the transition period is over, assuming that mutual trust develops between Israel, the Palestinians and Jordan, will negotiations on permanent

peace begin. Any attempt to bypass the first stage--namely, the transition period--and get down immediately to the negotiations on a permanent solution would lead to a polarization in the positions of the parties, to a freeze and would risk the entire peace process.

Since the end of the 6-day war, a fundamental debate has been raging in Israel about the conditions for reaching peace with Jordan. The Alignment's position was and still is that one must concede--indeed, with pain--considerable parts of Judaea, Samaria and the Gaza Strip in exchange for peace with Jordan in the capacity of the Jordanian-Palestinian state responsible for finding a comprehensive solution to the Palestinian problem. In contrast, the Likud advocates the integrity of western Eretz Yisra'el at any price. These fundamental differences of opinion stem from an essential difference in the conception of the demographic nature of the State of Israel. Therefore, there is also a different attitude on the part of the Alignment and the Likud toward President Reagan's new initiative.

In his plan, the U.S. President stated two fundamental notes: No to the annexation of Judaea, Samaria and the Gaza Strip to Israel and no to the establishment of a Palestinian state. He even left room for changes in the 4 June 1967 lines. Hence, the Likud, which regards the implementation of sovereignty over all of western Eretz Yisra'el as the only permanent solution, must oppose the Reagan plan. In contrast, the Alignment, which is ready for a territorial compromise rather than mere alterations of the border, can in principle accept Reagan's approach on this issue. Therefore, what worries me about the U.S. President's initiative is first and foremost not the permanent solution he proposes but the impact his plan would have on continuing the negotiations for peace.

Hence, the first question is: Are the sides called upon to accept the U.S. position as a condition for resuming the negotiations on the establishment of a autonomy or is it only a clarification of the U.S. point of view? If the President's intention is that the parties accept his plan as a condition, then this constitutes a deviation from the Camp David accords according to which the issues related to the permanent solution would be discussed only after the autonomy has been established. If that is not what he means, then why did he publish his position in detail precisely at this time? After all, it could have been foreseen that the Israeli Government would reject his proposal. The U.S. proposal was also rejected at the summit conference in Fes which declared that the goal of the Arab world is to establish a Palestinian state in Judaea, Samaria and the Gaza Strip whose capital would be east Jerusalem.

The second question is: Did President Reagan hope that through his declaration it would be possible to coopt Jordan into the negotiations based on the Camp David accords? It now appears that for the time being Jordan did not receive a mandate from the Fes summit conference to join the negotiations and there are no explicit signs that it intends to do so.

It appears then that, at least by the time this is being written, Reagan's move did not bring about a rise in the number of participants in the peace process based on the Camp David accords. Were his initiative to bring about

the cooption of Jordan to the negotiations this would have constituted a significant contribution to promoting the peace process. However, as stated, such has not yet been detected. In fact, the U.S. initiative has renewed the public political debate in the international arena about the question of the permanent solution rather than initially focus efforts on achieving an agreement on the establishment of the autonomy.

The internal argument in Israel between the Alignment, which is ready to partition western Eretz Yisra'el in exchange for peace with Jordan, and the Likud, which believes in the greater Eretz Yisra'el, must proceed regardless of President Reagan's initiative. At the same time, a distinction must be made between the positive components of the initiative and its negative implications for the peace process. Therefore, the U.S. position on the permanent solution must only be seen as the position of one of the parties to the negotiations and the Reagan administration must be made to go back to the moves called for by the Camp David accords; namely, a return to concentrating on the negotiations on the establishment of the autonomy.

CSO: 4400/503

ISRAEL

RABIN INTERVIEWED ON POLITICAL, MILITARY ISSUES

TA171725 Tel Aviv HATZOFE in Hebrew 17 Sep 82 pp 22, 23, 24

[Interview with Labor Party MK Yitzhaq Rabin by Sha'ul Schiff prior to Rabin's departure for the United States and the publication of the Reagan plan; exact time and place not given]

[Excerpts] [Question] Do you see any possibility for a change in our region that will lead to a comprehensive peace with our neighbors following the peace for Galilee operation?

[Answer] At this stage the operation should be judged by the objectives set for it. The major and immediate objective was removing the terrorists' ability to perpetrate terrorists acts in Israel or against Israeli targets and preventing the existence in a neighboring Arab country of an extraterritorial area under terrorist control. Upon completing the evacuation of the terrorists from west Beirut this objective has been fully achieved. The terrorist organizations today have no hold on territory adjacent to Israel's borders in any of the four Arab countries which border on Israel. I view this as the major achievement of the war in Lebanon. As for the attendant objectives, namely, the departure of all foreign forces all entire Lebanon--the Syrians, the PLO still left in a third of Lebanese territory, the IDF--as well as the establishment of a Lebanese Government that will restore independence to Lebanon and sign a peace treaty with Israel, these objectives have not yet been achieved.

The first question then is how and whether these objectives will be attained?

I expressed my opinion on this issue on various occasions: These objectives are desirable but do not justify renewed fighting in our region in order to attain them. Nevertheless, since the U.S. Administration and the present Lebanese Government want to achieve these goals there is room for extensive political activity with the United States leading the political negotiations necessary for the achievement of the goals. If the IDF must remain along the existing lines in Lebanon to achieve this, then this should be done. If it is possible to consolidate the cease-fire vis-a-vis the Syrian forces in Lebanon by the forces' drawing away from one another, it is worth while doing this. In any event, as far as I am concerned, the continued handling of the Lebanese problem takes first priority since otherwise we will have to remain in Lebanon for a long while and this will take its toll both in blood and money.

As for your direct question: Does this render possible a change, a turning point on the way to a comprehensive peace, this is possible but not immediate.

Why is that?

The war in Lebanon was the first Palestinian-Israeli war since the first part of the war of independence. All of Israel's wars since the war of independence up till now were wars between Arab armies and the IDF. The very fact that this was the first Palestinian-Israeli war, and thus it is depicted in world public opinion and especially in the opinion of the West's government, increases, for these elements, the need to solve the Palestinian problem and immediately. If we add to this the special nature of the war, as depicted in world public opinion, namely a war that entailed a great deal of destruction and dealing a hard blow to a nonfighting population, feeling of guilt were created, especially in the United States since the war was fought with U.S. arms.

The combination of the two the urgent need to solve the Palestinian problem and the feeling of guilt, do not constitute a convenient background for immediate political handling of the Palestinian problem. Israel, of course, should adhere to the Camp David accords as the exclusive agreed upon basis between it, Egypt and the United States for the continuation of the peace process. The resumption of the autonomy talks should be suggested and I do not suggest that great pressures be exerted on this issue. When the Lebanese affair is over the dust will settle and this will make possible a more balanced approach toward the continued autonomy negotiations. I should also say that I do not yet see a change among the inhabitants of Judaea, Samaria and the Gaza Strip that makes possible the incorporation of Palestinian elements in the autonomy negotiations. This may still happen but for it to happen more time and proper handling are necessary.

[Question] One of the objectives of the Peace for Galilee operation was to break the power of the PLO. Has this goal been achieved indeed? Is a "political PLO" not more dangerous for us? Have we not lost "an address" for our retaliatory acts in reaction to possible terrorist acts in the future?

[Answer] First, I do not believe that the PLO will change its basic approach which is based on the Palestinian charter and calls for the liquidation of Israel as a sovereign Jewish state in any part of Eretz Yisra'el. Therefore, I do not believe that the hardest blow the PLO has received since it was decimated by King Husayn in Jordan in September 1970 will lead to a change in its positions or to ceding the way of the "armed struggle" as part of its efforts to obtain its goals. The PLO's ability to hit targets in Israel was badly damaged but not totally eliminated. This is especially true when we think of Israeli and Jewish targets outside the Middle East. I think that the PLO leadership will review all events in Lebanon with the aim of deciding the continued activity of this terrorist organization. I am convinced that the PLO will pursue the road it has trodden to date, even according to its considerably reduced possibilities. One should remember that the PLO has not been liquidated; it was dealt a hard blow but still exists. Some believe that at the first stage the PLO will settle accounts with the Arab world countries which did not lift a finger for it during the war in Lebanon so as to compel them to continue to support this organization's path and positions in future as well.

What about the power of the "political PLO"? If the PLO abandons its armed struggle and terror activity and settles only for political moves, then it stops being the PLO. Since there is no sign that it intends to do so this is a hypothetical question which does not have ground in reality. On the question of an "address" to send punishment: Israel's objective has never been to guarantee the existence of an address for terrorist acts but to prevent them or end them. If the PLO renews its terrorist activities outside Israel I am sure addresses for retaliatory acts against it will be found.

[Question] As a person who knows the U.S. front, what lurks behind the statements of the administration leaders there on extending the Camp David accords?

[Answer] As far as I recall, the U.S. Administration leaders did not use expressions such as expanding the Camp David accords. The expression I know of are connected with increasing the number of participants in the peace process and/or various interpretations of the Camp David accords.

What do they pertain to?

In the autonomy negotiations an Egyptian position was presented which, according to their claim, is anchored in the Camp David accords. An Israeli position was raised which is totally different from Egypt's and according to Israel's claim it is anchored in the Camp David accords. There was also a U.S. approach expressed in the statements by U.S. envoy Sol Linowitz which, in his opinion, also relies on these agreements. Namely, in anything connected with the establishment of autonomy and surely with a permanent solution on the eastern sector of the Camp David accords are formulated in a way which enables each party to see in them the realization of its approach and aspirations. In my talk with Secretary of State Shultz a few weeks ago I asked him whether he viewed the agreements as the exclusive basis for the continued peace process and his answer was yes. This is the best basis and agreed to by the existing parties today. Therefore, I believe that when the United States starts its activity to lead to the resumption of the autonomy talks, the basis for this will be the Camp David accords.

[Question] Do you have ideas for solving the problem of relations between Israel and the Palestinians that will be acceptable to both sides?

[Answer] I do not believe anyone in Israel can today come and say he has a wonder formula for a speedy solution of all problems East of us. As a Labor Party member I never supported nor support today either the vision of a greater Eretz Yisra'el. Not because the people of Israel have no historic right to Eretz Yisra'el. This right is the moral and political basis for our existence here. However, I believe this under the present historic and political circumstances, namely, that the Jewish people do not immigrate to Israel in the necessary numbers. Let us not forget that 8 million Jews live in Western countries and there is nothing to bar their immigration to Israel, including the transfer of their property to here. The Soviet Jews' immigration decreased. In addition, I do not want a country that is not Jewish, not only with regard to its borders but also with regard to its demographic composition. I support the partitioning of Western Eretz Yisra'el if this is done.

the framework of a peace agreement with Hashemite Jordan which will become a Jordanian-Palestinian state in content as well, and will be one sovereign unit whose capital is Amman. This state will shoulder responsibility for all aspects of the Palestinian problem, including a solution to the problem of refugees in Lebanon, Syria and other countries. The territorial partitioning of western Eretz Yisra'el should be on the basis of the "Allon Plan" which need not be detailed.

[Question] How do you express the "weak notes" of the Soviets in the Peace for Galilee operation?

[Answer] It should be remembered that the Soviet Union expressed discontent in 1966 already about the Syrians' involvement in Lebanon and has not supported this involvement ever since. The Soviet stand at the time was determined by the estimation that this neutralized Syria for a long time in regard to developments in the issues of the Israeli-Arab conflict and that after the Riyadh summit in October 1976, it even enabled Al-Sadat to have freedom of action in proceeding with peace moves under the U.S. aegis. I should mention that in October 1976 Egypt and Syria reached some sort of understanding with Saudi mediation which made possible continued Syrian involvement in Lebanon with silent consent by Egypt on the one hand, while Egypt received the go-ahead to continue the political process with the silent consent of Syria on the other. The Soviet viewed this as damaging their interest and did not hide their discontent with this Syrian stance. Nevertheless let us not make any mistake: If harm to Syrians inside Syria and not Lebanon is at stake I am convinced that the Soviets' stance will be stiffer than that expressed in Lebanon. Some say the Soviets have adopted a formula that Kissinger used for Israel in 1970: "The United States has a commitment to Israel's security but not to the security of its conquests." They are committed to Syria's security but not the security of its activity in Lebanon.

[Question] Why did the previous governments not succeed, during all their years in power, in solving the Palestinian question?

[Answer] First, all governments have tried, especially in the period following the 6-day war. The reason the alignment governments did not reach a peace agreement with Jordan which we have always seen as the major partner in the solution of the Palestinian problem was Jordan's demand for a total withdrawal from all the territories occupied by the IDF in the 6-day war, including east Jerusalem. We could never conceive, nor will we ever conceive, of agreeing to this condition. It should also be remembered that Egypt agreed to sign a peace treaty with Israel only when the government accepted all the Egyptian territorial conditions: withdrawal from all Sinai and the removal of all Israeli presence in that region. Nevertheless, hope should not be lost that we will reach peace on the eastern front without the "Sinai precedent" being binding on us in future.

[Question] Do you foresee a tougher style of relations between Israel and the United States under the present combination or Weinberger-Shultz?

[Answer] Any attempt to predict is dangerous and unjustified. I believe that the basis of U.S.-Israeli friendship, although a little shaken, has remained firm. I believe that the United States will continue to adhere to the

Camp David accords as the exclusive basis for the continuation of the peace process, albeit according to its interpretation which is not necessarily compatible with that of Israel. Hence, I do not foresee crises beyond ups and downs which have been and will be in the bilateral relations.

[Question] Will you again compete for your party's leadership?

[Answer] The right to elect and be elected to a position is a basic principle in the partisan way of life. In my opinion the Labor Party suffers from considerable weakness in its leadership. Without improving things in this sphere I doubt whether it will gain in the coming elections results that will enable it to form the government. Hence, everything is open, including the question as to who will head the party.

[Question] Do you favor continued partnership with MAPAM?

[Answer] Despite all the difficulties in maintaining the alignment, especially those emerging during the war in Lebanon, I am in favor of continuing the alignment. In my opinion, a split has a momentum of its own. Any split in the alignment would first lead to a public clash and argument between MAPAM and the Labor Party and the only political element that would enjoy this would be the Likud. It should also be remembered that the partnership between the two parties making up the alignment is not limited to the Knesset only. This partnership is vital to guarantee the alignment's running of the Histadrut. It is also vital regarding the Zionist federation and municipal sphere.

[Question] Would you prefer partnership with the religious (including Agudat Yisra'el) and what is "the price" you would be prepared to pay for it?

[Answer] In the foreseeable future too I do not see a reasonable chance that the alignment will succeed in the Knesset elections in obtaining a decisive majority, namely, that it will be able to form a government without partners. Naturally the partners in a government coalition are the religious parties, first and foremost the National Religious Party [NRP]. There has indeed occurred a radicalization in the NRP's positions over the last decade, especially in the political sphere but also in the religious sphere (perhaps due to the increased activity of Agudat Yisra'el during the Likud governments' terms). I do not believe it will be correct today to give a detailed answer about the "price" of such a partnership in the various spheres of life which the Israeli Government should handle. It should be remembered that the basic legislation in religious affairs in Israel was done by the governments of the parties constituting the alignment today. There was a sort of a religious "status quo" accepted as compromise between the alignment and the NRP. Hence I do not believe anybody would think of canceling the status quo or changing what developed on its basis during the Likud governments. Nevertheless, the El Al airline affair is not acceptable to me as part of this status quo.

[Question] In your opinion, what major issue should Israel focus on in the near future?

[Answer] The major issue will be the political-security sphere--finding of a solution to the situation in Lebanon after the terrorists' evacuation from

Beirut which will enable the IDF's withdrawal from Lebanon, while guaranteeing the security of the northern settlements for a long time without the danger of terrorists' entry into the 40-45 strip north of our northern border. At the same time of making this political effort, there should be efforts for continued autonomy negotiations for Judaea, Samaria and the Gaza Strip, combined with the effort of incorporating Jordan and moderate Palestinians from among the inhabitants of the territories in this process.

CSO: 4400/503

INTELLIGENCE CHIEF SAGI ON LEBANESE WAR

TA171427 Tel Aviv DAVAR in Hebrew 17 Sep 82 pp 19, 24

[Interview with Chief of the IDF's Intelligence Branch Maj Gen Yehoshu'a Sagi by Mordekhay Barqay--date and place not given]

[Text] Question: Major General Sagi, what is the immediate impact on Bashir al-Jumayyil's murder?

Answer: It is clear that Al-Jumayyil's murder dealt a blow to the hopes and expectations which had been pinned on his personality and, first and foremost, to the chance to establish a strong central government in Lebanon.

This event revives the struggle over Lebanon's future character. The polarization between the rival elements of power in Lebanon, to settle their accounts, will exacerbate and there will be a deterioration of the situation.

Question: Is there an assessment of the elements interested in and the possible motives for the murder?

Answer: Syria and the terrorists gain immediate advantages as a result of the new situation. The Syrians gain maneuvering room for leaving their forces in Lebanon. There is no doubt that both the Syrians and the terrorists were interested in the death of the president-elect, though it is not yet entirely clear who was behind the murder.

Question: Beyond the crisis over the murder of Al-Jumayyil, has the war in Lebanon ended?

Answer: Operation Peace of Galilee and its specific objectives are all but finished; the war after the war has begun.

Question: The war of whom and on what?

Answer: The war today does not focus only on the military problem which essentially resolves around the withdrawal of the foreign forces, the Syrians and the terrorists, from Lebanon. As far as the Syrians are concerned the war has a far deeper significance: This is a war over the future of Lebanon and Syria. As far as the terrorists are concerned, too, this is a very essential war over their ability to act in future as a military branch with the aim of reaching political goals.

Question: By fighting from within Lebanon, or the Syrian deployment in Lebanon?

Answer: Not necessarily from inside Lebanon. However, if we examine the various options at their disposal, we find that they are few. Let us look at the arena: It is no longer a secret they have actually failed in their terror activities inside Israel. It is true that occasionally there are riots in Judaea and Samaria, occasionally a bomb is planted in a bus. However, when one looks at the vast potential of the Arabs of the territories as against their performance, or, what is more important, their willingness to operate, then the latter is very limited. As a liberation movement acting from within the territory of their "enemy" they have failed. What do the terrorists regard as a success? They see it in their ability to penetrate and strike Israel from outside.

Incidentally, the terrorists' ability to act inside Israel, from the outside, is in direct proportion to their ability to maintain a group of sympathizers and performers in the territories, since some of their actions on the inside are driven by outside terror, the terror of Arabs against Arabs. The loss of the Lebanese basis has left the terrorists faced with almost sealed borders.

Syria--the Syrians themselves do not feel at ease with the implication of opening its borders to terror, since this would be a challenge to the State of Israel via the Golan Heights. Such a challenge would mean an excuse for deterioration into an all-out war with Israel at a time when the Syrians themselves do not think they are ready for such an eventuality.

Jordan--The problem is not confined to the sphere of Jordanian-Israeli relations; this is an explicit interest of the Hashemite regime since activities from Jordanian territory in September 1970 almost caused the collapse of the monarchy. Look at what Husayn did in that state of affairs.

Egypt--Activities from Egypt are almost impossible for two reasons: First, the Egyptian domestic regime cannot afford assassins and terrorists---even if they direct their threats outward--roaming freely in their midst, hence Mu-barak's strong opposition to take even one terrorist during the evacuation of Beirut. Secondly, this would endanger peace, which is the best guarantee Egypt has against a surprise Israeli occupation, attack or military raid.

In other words, the loss of Lebanon is very significant and the war after the war, which is already underway, is being waged--as far as they are concerned--over staying in Lebanon.

Question: What happened to the 10,000 terrorists who were ousted from Beirut? What has been their fate in their host countries? We saw them on television, these are young armed people of drafting age.

Answer: Some of the terrorists made their way to Syria, and a small number of those returned to Tripoli in northern Lebanon. I would not be surprised if the rest of them returned to Al-Biqa' as time goes by. Some of the terrorists went to other countries where problems emerged at once. Tunisia and Sudan are beginning to feel what Lebanon felt for many years: Suddenly, an

armed and uncontrolled element arrives in their midst, and when such a group arrives in a small country where street fights, robberies and muggings are not an everyday occurrence, problems crop up. The problem of the host countries is how to reduce their adverse effect, and the problem of the terrorists is how to maintain the level of sympathy they enjoyed before the host countries realized their adverse effect.

Question: The terrorists always have the option to carry out acts of terror overseas.

Answer: In this sphere, they are divided by their political interest to look nice and appear as a reasonable and restrained national liberation movement and the temptation to carry out acts of terror in a third country. The latter would cast them in the image of thugs operating in their host countries and would not only be counterproductive, be their target Israeli or Jewish, but would also deal a blow to the interest and sovereignty of the country hosting their target.

Question: Are they not encouraged by another factor, by the fact that they enjoy the sympathy of several Western countries as well as unprecedented anti-Israeli and anti-Jewish hostility among the local population? Is that not conjuncture?

Answer: No country is interested in military operations by foreign elements occurring on its soil, operations liable to harm its citizens or other legal inhabitants, because this would be a blow to its sovereignty. The fact that the French do not like Israel does not mean that they are going to tell Hawatimah or somebody else: Bravo, go ahead, start killing the Israeli consuls, the El Al and ZIM crews. If such incidents occur, they prefer they happen elsewhere.

In the past Palestinian terrorists and terrorists organizations in the world had a give-and-take relationship. We have published some of the material we took as booty about the vast spectrum of foreign underground organizations and their connections with the terrorists.

Question: You printed leaflets but you did not have any terrorists from Japan, Germany and Italy show up....

Answer: That is not accurate.

Question: Did they remain in west Beirut and evacuate with the rest?

Answer: Japanese terrorists and Sandinistas evacuated west Beirut; at least two or three Italians also left west Beirut. Also, the list of the terrorists we apprehended is impressive, it includes Africans, South Americans and Turks.

Question: I was talking about Europeans.

Answer: The foreign terrorists who received documents and who were trained in the PLO bases in Lebanon were not meant to be first-line fighters. They were

meant to be trained in Lebanon and after some time return to their countries. Therefore, it made no sense to look for them in Tyre and Sidon but rather in west Beirut.

Question: You were talking about give-and-take relationships.

Answer: Yes, they said to the Palestinians: You give us training, documentation, weapons and arms contraband--the Arabs used the diplomatic pouch to this end--and in exchange we will give you local aid or we will carry out operations for you, as in the case of the "Action Directe" group in France. I would not be surprised if it turns out that their relations are years old. Now that the PLO has lost its extraterritorial bases in Lebanon, the old issue has dissolved; and if they want to train in Syria, Tunisia or Sudan they need the permission of the governments and this is more problematic.

Question: Alright, that is about the terrorists. As for the Syrians, to what extent have their interests or motives in Lebanon changed since 1 September?

Answer: They have not changed. The Syrian interest in maintaining their rule over and a military presence in Lebanon--whether to assure their rule over Lebanon or to guarantee Syria's defense since as far as they are concerned Lebanon is the back door to Damascus--has prevailed since the days of what they call "the tearing-off of Lebanon from Syria." As is known, Syria has never recognized Lebanon as a separate independent state and Al-Asad was the first Syrian ruler who in his capacity as president set foot on Lebanese soil in January 1975 when he met the then Lebanese President Sulayman Franjiah Inshtawarah. No Syrian president had ever before visited Lebanon. After 1 September the Syrians were faced with the problem of how to maintain their interest in light of the new situation.

Question: Does that mean that the Syrians will not leave Lebanon of their own will?

Answer: That means that Syria will not pull back from Lebanon and if they do, it will only be on the basis of some kind of reasoning that the first goal is to make Israel withdraw to the international border. Through this move and by maintaining their traditional relations with Lebanon the way will be paved--even if this does not include a military presence--to a continued direct Syrian influence on Lebanon. Even such a formula will be very difficult for the Syrians to swallow. It must be remembered that Syria has been involved as a military force in Lebanon since 1976. That was the only occasion Al-Asad went to the Ba'th Party to explain his move. He had never before or afterwards done such a thing. This is the only issue on which Al-Asad has friction with the Soviet Union and for which he was actually under a partial arms embargo for 2 years. Therefore, it is not at all simple to pack up the army and leave after having made such investments over 6 years and this is certainly less easier for a dictator like Al-Asad.

Question: Will the Fes summit conference resolutions have some kind of impact on Syrian considerations?

Answer: There will be an impact. Al-Asad stood alone in Fes. All the participants demanded, even if not publicly and overtly, the departure of the Syrians from Lebanon. The Arab world does not sympathetically view armed interference by one country into the affairs of another, first of all because that would set a precedent. Tomorrow morning Iraq's Saddam Husayn may decide to set out to save Kuwait or Saudi Arabia, or Yemen may try to save Saudi Arabia from its monarch. Secondly, the significance of their lack of support is not mere lip service but also money. Given its economic situation Syria cannot afford to be rude about financial support, because it needs it. However, I am qualifying these remarks of mine. As we know the Syrians, things will reach such a state where the economic situation remains bad but yet Syria continues its presence in Lebanon as opposed to the possibility of an "undignified"--as they put it--pull back and large economic assistance. In such a situation, the Syrians will opt for the former possibility and will attempt to get a compensation either by threats or, for example, by appealing to the Soviet Union, although the USSR has so far extended only weapons rather than economic aid. Well, the Fes resolutions will have an impact but they will not necessarily lead the Syrians to the next stage of pulling its military force out of Lebanon.

Question: What we did that day to the Syrians on 22 July had a certain effect. I suppose that the fighting at the beginning of this week was more limited. What is the expected effect?

Answer: Let me give you some background information. The Syrians are faced with a dilemma. On the one hand they know that in their current situation it is dangerous to provoke the IDF, or as they put it, to give the IDF an excuse to attack them in Al-Biqa'.

Question: Does this apply to a reaction on land as well as to an aerial reprisal?

Answer: They do not regard our air attacks as standing on their own but see them as serving action on land; if that doesn't take place, the Syrians are able to absorb such air attacks. Were we to give the Syrians a promise that we do not intend to advance on land, they would say: Thank you very much. Do you want to attack terrorists? Please do. At the beginning of this week they sustained 10 dead and 40 injured--they can take such casualties. The main threat that must be emphasized to the Syrians is that the time will come when the IDF is no longer able to restrain itself and will have to progress on land and the distance does not matter.

Yet, on the other hand, the Syrians are the chief patron of the Palestinians. By preventing the terrorists from operating they are, as it were, passing a sentence on their "raison d'etre." This prevention is difficult to accomplish and not that acceptable. The Palestinians would claim throughout the world that their hands are not tied by the limitations of their military capacity but rather by the Syrians. That is the dilemma.

The problem of the Syrians is how to make the best of two evils. In this context it must be pointed out that the Syrians have always been the masters

of brinkmanship. Therefore, they are trying to locate the red line but they are not crossing it, they are not yet endangering the essence; namely, they are not yet giving the IDF with an excuse to attack them and, at the same time, they are trying to provide the Palestinian with sufficient freedom of action to exert pressure on us so that if we say that we will not leave Lebanon until they do they will reply: We are living peacefully and well in Lebanon whereas you are being harassed every hour of the day and that is why you must get out.

Incidentally, the Syrians lay great store in the way Israel reacts to casualties. One of the lessons they learned from the Yom Kippur war is that they need not necessarily win the battle, it is enough to inflict such casualties that the Israeli people should feel beaten, and that is how one scores victory.

Question: Does this explain Syrian manipulations on the issue of the missing soldiers?

Answer: Yes, the missing soldiers, prisoners and bodies.

However, let us go back to the question about the effect of our actions. In a chart showing the number of terrorist actions occurring between two events, you may see that at the beginning of July we had some 30 actions per month. At this point came the fighting of 22 July and immediately afterwards we see a drastic decline to 11 actions per month. For 3 weeks there was some quiet but then there was again a rise. It peaked in August when there were 35 actions. At the point came the political message. A warning was relayed to the Syrians that if this situation continued certain things would happen--and immediately afterwards there was again a sharp decline in the number of terrorist actions. However, since the beginning of September the curve shot up again until 13 September.

Question: That means that the effect of a day of battles last for 2 or 3 weeks....

Answer: I think that the extent of the effect will shrink. As long as the Syrians believe, according to their own assessments of the situation, that they are not risking a physical operation against their forces in Lebanon they will continuously allow the terrorists to carry out attacks against us. Therefore, this is a never-ending war and it is the war that comes after the war.

Question: The Lebanese Army has been presenting a new image in its encounters with armed units. Is a new element emerging in Lebanon?

Answer: For the first time we see determination to put the Lebanese Army to work. Until recently Lebanese presidents such as Sarkis have refrained from activating the army lest they be disgraced if this body collapsed. The root of all evil lies in the Lebanese tradition of having separate sectarian battalions--Sunnis, Druze and Christians--and they do not merge, although occasionally a Christian officer may command another unit. This structure poses two major problems: For example, if Sunnis are ordered to act against Sunnis they might refuse to fight or they might desert to the rival side. If Druze are ordered to act against Christians they might say: This is a settling of accounts for the Druze rebellion. This state of affairs paralyzes the army's

performance and due to this sectarianism Lebanese presidents have never made a decision to put the army to work. Now, for the first time, the Lebanese is told: You are going into west Beirut to purge it. Foster brothers, such as the multinational force, are this time standing by the Lebanese army; the entire situation in the region has changed and Beirut is also there. The Lebanese Army has now realized that things are not that terrible. In an incident this week the army killed six armed men and it sustained one dead. For the army it is a great accomplishment. Therefore, for the first time there is strong determination.

The second problem is the future of the Lebanese Army: The extent to which the Lebanese government is consolidating a national army that is not founded on a sectarian structure. If this materializes, Lebanon may have in its hand the means to rule and impose the law even on those who do not want to abide by it.

Question: The U.S. President's plan and the plan of the Arab Summit conference have recently been published. What is the relation between the Reagan and the Fes plans?

Answer: In Fes the participants actually endorsed the Arab consensus which has prevailed since the Khartoum conference: withdrawal to the 1967 borders, the establishment of a Palestinian State in Judaea, Samaria and Gaza and the right of the refugees of 1948 to return. What does the Fes conference talk about? It also speaks about a return to the 1967 borders including East Jerusalem, a transition period of several months under theegis of an international force to be succeeded by self-determination without blocking the way to the establishment of a Palestinian state. The refugees of 1948 will be compensated or will return--these are the main points. It does not contain any clause about recognizing Israel while the Reagan plan specifically talks about recognition of Israel and peace between Israel and its neighbors. The Fes conference does not contain any recognition of the status of Jordan as the representative of the Palestinians with the aim of returning Judaea and Samaria to Jordanian territory. The Fes plan is actually like the Fahd plan with some changes. It is very important to pay attention to what Moroccan King Hassan said in his declaration about the issue of recognition. He said: The question is not one of peace with Israel, the question is one of non-aggression, even after the establishment of a Palestinian state in Judaea, Samaria and Gaza. At this point he coincided with the Palestinian demand for the "gradual" establishment of a Palestinian state "for the entire territory of 1948 Israel." In other words, the participants did not reject the Reagan plan outright, they just did not agree to it. Instead, for the first time, the Reagan plan was not rejected. The Arab delegation that will go to the United States will be a very strong one. The Reagan plan is a very good one. The Arab delegation will be a very strong one. The Reagan plan is a very good one. The Arab delegation will be a very strong one.

Question: What is the significance of the fact that the Arab Summit conference has not yet been held?

Answer: In my opinion Jordan never gave up its desire to return Judaea and Samaria to within the boundaries of its kingdom. As far as Husayn is concerned, he feels as if he had lost an inheritance; he is faced with a demographic problem and with the problem of foiling the danger of the establishment of a Palestinian state west of the Jordan River which might one day demand its right over eastern Palestine. The Hashemite Kingdom has not yet become legitimate, this is an emirate which turned into a kingdom. Establishing a federation with Judaea and Samaria would eliminate the danger to the continued existence of the monarchy.

Jordan had pinned many hopes on Fes. Husayn had hoped that the conference would give him the authority to speak on behalf of the Palestinians and this hope was not realized. There is no doubt that Husayn left the Fes conference with a feeling of frustration.

Question: Did this have some impact on the territories?

Answer: Recent developments have had a larger impact on Husayn's supporters in the territories than on the supporters of a PLO Palestinian state who had been quite neutralized as a result of what happened in Lebanon. Husayn's supporters had hoped that something positive for them was beginning to emerge. However, these hopes were nipped in the bud.

Question: Since the beginning of the war there has been amazingly little reference to the basic question: Where are the Russians? How would you explain this?

Answer: You are probably speaking about public mention. In fact, I could answer your question by quoting just one sentence from Brezhnev's letter to Reagan in the midst of the Beirut crisis. Brezhnev's wrote: "History will pass sentence on those who could have done something to save Beirut but did not raise a hand." In other words, the Soviet Union cannot do anything about it; the cards are in your hands, Mr Reagan.

From the very beginning of the war the Soviets were in an embarrassing situation. First of all, they have never supported Al-Asad's penetration into Lebanon. They regarded it as a mistake and as deviating from the interests of the Soviet Union in the region. They were very afraid of what eventually came to occur, that is, the internationalization of the problem; that a multinational force, an American force, should arrive and make Lebanon American again precisely at the time when it began sitting on the fence. The Soviets have never given Al-Asad any commitment about his involvement in Lebanon. The defense pact signed with Al-Asad never included Lebanon under its umbrella. The Palestinians in Lebanon had never been promised that if the worst of all happens and Israel goes in the Soviet Union would rush to its help. On the other hand, the Soviets have the strong feeling that this war is bringing the Americans--and very strongly at that--back to areas which the Soviets had considered to be at least neutral.

In addition, and no less serious as far as the Soviets are concerned, is that the umbrella of antiaircraft missiles has been removed from over the Syrian

100 es. This has severe implications not only on the state of the Syrian Army but also on the entire Warsaw Pact. This is an immediate implication. The armies of the Soviet Union and its satellite countries just as those of Western Europe are learning the lessons of this war. It is not for nothing that the Soviets made immense efforts in visits by senior leaders and army officers to study the problem and to deliver modern weapons instead of those that were hit so as to restore their credibility.

Question: How do you explain the vast difference in the behavior of the Soviets which during the war of attrition in the Suez Canal time after time replaced destroyed missiles and increasingly enlarged their presence with their attitude during the war in Lebanon? After all, now as well as then there was the question of the reputation of Soviet weapons among its clients.

Answer: The difference lies in what they were confronted with. In this case the Soviets were faced with the choice of stepping into an area which had never been included within its direct interests or among its proteges--that is, Lebanon--and risk "inviting" direct U.S. involvement on the level of a conflict between the superpowers or just swallow their humiliation, albeit without some harm to Soviet interests in Syria. The Soviets opted for the latter. This would not have been the case had we been at the gates of Damascus rather than at the gates of Beirut. In such a case the Soviet Union would have felt obliged to intervene, but even then we would not have seen Soviet divisions marching on Syrian soil. It is more an issue of a political threat, perhaps stationing Soviet weapons and a Soviet flag. However, in the current situation the Soviet Union did not have the option of doing something which could have availed it with a first-rate prestigious achievement even if along with risk ing on involvement. Here the choice was bad to begin with.

CS: 4400/103

ISRAEL

BRIEFS

NEW W. BANK INDUSTRIAL AREAS SET--Three more industrial areas will be established in Judaea and Samaria, in addition to the five existing ones, said Industry and Commerce Minister Gid'on Pat. Pat spoke at a meeting of shareholders of the Itam Company (Eretz Yisra'el's advanced industries) in Ari'el in Samaria. The minister added that at present there are 212 Israeli plants active in Judaea and Samaria, and an additional 67 will come into operation in the coming months. The government is ready to extend "all help" to entrepreneurs investing in this part of the country, Pat said. Nonetheless, he added, the government is only interested in encouraging advanced industries that will supply work to Israeli settlers, and which are part of the general economic strategy of the government. The government is not interested in building labor consuming industry, Pat stressed, implying that this kind of industry would attract, first and foremost, an Arab labor force. [Report by economy correspondent Ze'ev Struminsky] [Excerpt] [TA171134 Tel Aviv DAVAR in Hebrew 17 Sep 82 p 6]

CSO: 4400/503

SHIPPING FLEET DEVELOPED

Paris AN-NAHAR ARAB REPORT & MEMO in English No 28, 30 Aug 82 p 7

[Text]

Kuwait has been energetic in the promotion of its stated goals to transport 70 per cent of all its crude oil exports, 60 per cent of its exports of refined products and 50 per cent of its gas exports by means of vessels under its direct control, according to a study on transport and the oil exporting countries to be published by Drury, the British shipping consultants.

The study, as quoted by the official Kuwait news agency *KUNA*, expects Kuwait's role in crude oil transport to shrink in future as the country's refining sector expands. If Kuwait wishes to achieve the above-mentioned targets for its share in the transport of its exports, the study argues, it will have to continue using leased ships. Drury notes that while the fleets owned or leased by oil exporting countries have almost doubled in size over the past six years, this rate of growth has not matched the ultimate targets of these countries.

There are indications that the Kuwaiti government is now seeking to build up the efficiency of its dry cargo shipping fleet, the study observes, particularly since the formation of the Kuwait Marine Transport Company. Kuwait's merchant fleet now consists of 70 ships with a combined capacity estimated at 3.37 million deadweight tons (DWT), including 18 tankers contributing one-third of total capacity. Six years ago, the fleet comprised 53 vessels with a combined capacity totalling an estimated 2.5 million DWT.

The Kuwait Oil Transport Company, Drury says, is not only one of the largest in the Arab world, but also more versatile in terms of the range of products it can handle than other companies in the region. It is relatively modern, with the majority of its ships built since 1973. Among them are vessels for the transport of livestock, which, together with other foodstuffs, Kuwait has to import to make up for its virtual lack of an agricultural sector.

While the study picks out Kuwait and Algeria as two countries which are making steady progress towards the development of a strong maritime industry, it says that other countries have not been able to develop their activities in this field as fast as they would have liked. Among the reasons which the study lists are the stagnation in the world shipping market, the lack of manpower with experience in running shipping companies, the habit of concluding oil purchase contracts on the basis of free transport f.o.b. and the absence of appropriate shipping policies.

According to Drury, the size of fleets owned or leased by OPEC countries plus Mexico has increased by 89 per cent since 1976 to 28.2 million DWT in 1982. This includes a 93 per cent rise in the number of tankers, of which these countries now control 683. The dry cargo shipping fleets of the OPEC countries and Mexico now represent 22 per cent of overall capacity, compared to 13 per cent in 1976, reaching a capacity of 6.3 million DWT in 1982.

CSO: 4400/487

NEAR COLLAPSE OF SOUK AL-MANAKH DISCUSSED

PARIS AN-NAHAR ARAB REFLECTA MEMO in English No 28, 30 Apr 82 pp 4-7

[TEXT]

Souk al-Manakh, Kuwait's over the counter stock market, last week faced the long-feared crisis predicted by many observers who could not believe that mammoth gains could be achieved by trading in the shares of Gulf companies.

Since last April, Souk al-Manakh has calmed down considerably. At the time, this change in the atmosphere of Souk al-Manakh was attributed to Iraq's failure to maintain its military position in Iran and the fear that Iran might carry the war into Iraq and down the Gulf through Kuwait. Perhaps there was a grain of truth in this explanation since Souk al-Manakh had prospered on Kuwaiti money which had been channelled back to Kuwait from international markets which had fared badly for two years.

Last week, however, was distinctly alarming. Dozens of bankruptcies were filed by Kuwaitis whose forward cheques could not be cashed or who could not cash cheques that had fallen due. The feeble strands of the cobweb composed of the inter-related interests of Kuwaiti traders were ruptured. The consequences threatened financial calamity for Kuwait, the most prosperous and sophisticated of the Gulf countries.

The government, as always, stepped in to prevent a crisis of confidence from submerging the entire Kuwaiti economy. However, in contrast to previous government interventions, which preserved liquidity and pumped cash into the private sector to overcome sluggish trends, this time the authorities moved to pin responsibility on any who sought to avoid fulfilling obligations which they were in fact able to meet.

By government decree, no bankruptcy papers could be accepted unless the assets of the family of the person seeking bankruptcy were insufficient to cover outstanding cheques. This action left no easy way out for delinquents who sought relief by seeming to fail.

while at the same time retaining important assets and liquidity in the names of their wives, parents and children.

Most of the unpaid cheques circulating in the market, valued at KD 500 million or more (\$ 1.8-2 billion), were dealt with by bilateral and multilateral cancellation. The time-honoured market mechanism of consultation among Kuwait's richest citizens came into full play and prominent Kuwaiti lawyers set up shop in Souk al-Manakh to assist in improvising on-the-spot solutions. For once the government had substituted the carrot of free liquidity for the stick of social disgrace and the Kuwaitis lost no time in trying to patch up the crisis.

In essence, the crisis was due to the faltering of expectations about a continuous market boom. Too many Kuwaitis borrowed against expected future profits. When these did not materialise, partly as a result of growing anxiety about the long duration of the Gulf war and partly because of government wariness, the whole psychological climate collapsed and people ran for shelter. Many individuals felt they could escape the full brunt of their losses by shrugging off their obligations. The government wisely made these obligations a family commitment and the ultra-conservative rich families turned their attention to the task of improvising solutions. Only after successfully doing this could they anticipate that the government would come to their rescue.

In recent months, the Kuwaiti government has come under mounting pressure to rethink the character of the country's economy. While still desiring a leading financial role for Kuwait in the Gulf region, the authorities are trying to promote a greater sense of financial responsibility in Kuwait and amidst a mushrooming of Gulf companies. Moreover, the financial resources of the government are no longer as plentiful as before, at least in current account terms. Some deficit financing has been approved in the present budget because oil revenues have dropped significantly and aid obligations, particularly to Iraq, have risen substantially.

Against this background, the government could not be expected to fling open its coffers to compensate Kuwaitis whose stock market calculations did not prove correct. In particular, Kuwait's serious-minded Finance Minister, Abdel Latif al-Hamed, wanted first and foremost to emphasise financial responsibility before drawing up any plan of action that might reduce the sense of awareness among individuals of the role they must fulfill before anticipating government help.

In the coming days and weeks, as more and more outstanding cheques are cancelled out even at the cost of a real absorption of part of the paper losses by heavy traders on the informal market, the government could step in with some assistance. In the meantime, investors who burned their fingers will think twice before embarking on a self-created wave of euphoria of the kind that prevailed in Kuwait between September 1981 and April 1982.

BRIEFS

CREATION OF STOCK TRADING COMPANY ENCOURAGED--The Kuwaiti government will foster the establishment of a KD 200 million (\$685 million) stock-trading company as part of its efforts to bolster confidence in the country's stock market. Announcing the new measure, Commerce Minister Jassem al-Marzouk said Kuwaitis would hold 51 per cent of the shares in the new company, with the remainder owned by companies in other Gulf states. The authorities have also directed the Central Bank to be flexible in extending credits to investors, the Minister was quoted as saying. Other measures recently taken by the government include the creation of a cheque clearing company to fix the true amount of post-dated cheques used in share trading and a temporary ban on setting up new closed companies (An-Nahar Arab Report & MEMO, August 30). Mr Marzouk told a television audience in Kuwait that he was optimistic that the new moves would help the market climb out of its present price slump, which is one of the worst ever experienced in Kuwait. The loss of confidence is partly the result of anxiety over the dangers posed by the long Gulf war between Iran and Iraq. The Kuwait stock market, ranked eighth in the world, had a turnover of KD 1.9 billion (\$6.5 billion) in 1981. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 29, 6 Sep 82 p 7]

CSO: 4400/487

BRAZIL STEPS IN AFTER U.S. PULLOUT

London JAMAHIRIYA REVIEW in English No 27, Aug 82 p 19

[Text]

THE JAMAHIRIYA has concluded an important agreement with Brazil, aimed at stepping up the exchange of technology, particularly in oil and mineral exploration. The agreement followed closely a decision by the US multinational oil firm Mobil to abandon its operations in Libya, and is seen as a reaffirmation by Tripoli of its determination to press ahead with its oil industry development programme regardless of obstacles raised by Washington and multinational companies.

The agreement, signed in June, provides for Braspetro, the overseas petroleum arm of the state-owned Petroleo Brasileiro (Petrobras), to increase its area of exploration in the Jamahiriya. Brazilian Mines and Energy Minister Cesar Cals says that the protocol also opened the way for Brazilian private-sector companies to supply oil industry equipment to Libya.

Braspetro already has a drilling rig in the Murzuk basin in

the south west of the Jamahiriya, and the firm plans to invest \$48 million during its five year contract to explore the 29,600 square kilometre area.

The agreement with Brazil followed an announcement by the Mobil Corporation that it would pull out of Libya by 13th July. The firm was involved in a joint production venture in which the Libyan National Oil Corporation (LNOC) had a 51 per cent share, the West German firm Veba held 15 per cent, and Mobil 34 per cent.

Mobil claimed that its pull-out was prompted by low profits stemming from the recent fall in Libya's oil price to \$35.20 per barrel, but it is suspected that President Reagan's economic boycott of Libya, imposed in March, was a major factor. The White House has for some months been applying heavy pressure on US firms to pull out of the Jamahiriya, although prior to the Mobil decision, only the US-based Exxon multinational had succumbed.

THIRD WORLD AID, JOINT PROJECTS, LOANS REVIEWED

London JAMAHIRIYA REVIEW in English No 27, Aug 82 pp 12-13

[Article by Alan George]

[Text] THE LIBYAN Jamahiriya, like other Arab oil producers, is a major aid donor to the developing nations of the Third World. Unlike much of the 'aid' offered by industrialised western states, however, Libya's development assistance is remarkably free of political or other 'strings'. When countries such as the US offer grants, there is often a stipulation that the money must be spent on goods manufactured by firms in the donor country. Libya's aid programme is more principled. Until the development of its oil industry in the 1960s, Libya was amongst the poorest countries in the world, with extremely dim prospects for economic advancement. Libyans remember all too well what it means to be caught in the poverty trap.

The Jamahiriya also understands that poverty cannot be eradicated simply by large cash injections. The bulk of Libya's aid, whether donated directly or through multinational aid agencies, is aimed at specific development schemes which will contribute to long term, sustained economic growth leading in turn to greater political independence. This does not mean, however, that Libya is insensitive to emergency cash needs in the Third World. It has donated generously to help relief efforts following natural disasters, and to ease balance of payments crises.

Multinational aid

Much of the Jamahiriya's aid is disbursed via funds and institutions set up jointly with other leading Arab and world oil producers. The major multinational Arab institution is the Arab Bank for Economic Development in Africa (BADEA), which

over the past seven years has distributed aid totalling \$7 billion. In 1980 alone, the figure was \$1.5 billion.

The other multinational aid 'giant' is the OPEC Special Fund, and its impressive record was underlined in June by the Development Assistance Committee of the Paris-based Organisation for Economic Co-operation and Development (OECD). A special report showed that in 1981 alone, OPEC provided aid to the Third World totalling \$7 billion, accounting for well over two per cent of member states' combined gross national product.

The OECD report also highlighted the dismal aid performance of the industrialised countries. From \$75 billion in 1975, western aid fell to \$73.2 billion last year, and the donations of the seventeen countries covered by the report averaged out at a tiny 0.3 per cent of their GNP. The United States had a particularly poor record, its aid last year amounting to a trifling 0.27 per cent of its GNP.

Other major multilateral aid agencies to which Libya contributes generously include the Islamic Development Bank and the United Arab Emirates-Libyan Fund for African Development. Like BADEA and the OPEC Fund, these institutions provide 'soft' loans, carrying low interest rates and with generous repayment periods. Most are extended for major infrastructural projects, such as road and dam schemes.

Joint banks

Joint banks and development companies are major vehicles for the Jamahiriya's aid programme. In Africa, joint develop-

died and 200,000 were made homeless.

The Jamahiriya is aware that real development entails much more than an increase in national income, and must cover all aspects of national life, including social welfare and culture. The Al Fateh Revolution's basis in Islam has led to an important aid programme involving Islamic cultural centres and missionary work. Such efforts naturally focus on countries with substantial Muslim communities. The joint UAE-Libyan Commission for Islamic Cultural Centres opened its latest facility in **Rwanda** in June last year, and another is under construction in the **Gambian** capital Bangui. Tenders have been invited for two new Islamic centres, in **Togo** and **Malaysia**. The focus of each centre is a mosque, and there are also schools, libraries, lecture halls and medical dispensaries.

CSO: 4500/300

ECONOMIC SUPPORT FOR GHANA CONTINUES

London JAMAHIRIYA REVIEW in English No 27, Aug 82 p 13

[Text]

LIBYA'S OVERSEAS aid programme has not been confined to loans and cash donations. In recent months, the Jamahiriya has been shipping supplies of food and cut-price oil to Ghana, where the Government of Jerry Rawlings is struggling to cope with the economic chaos left in the wake of the Hilla Limann regime, overthrown in the New Year's Day coup.

Reporting the arrival of the latest consignment of food aid, Accra radio said on 23rd June that it included flour, sugar and rice, and had been distributed 'free of charge to institutions and hospitals throughout the country, including children's homes.

The radio noted that it was the third such gift from the Libyan people this year, and was 'yet another demon-

stration of the brotherly support and concern of Libya for Ghana.'

Two days later, Accra radio broadcast the terms of an agreement with the Jamahiriya providing for the supply of a total of 350,000 tonnes of oil at a rate of 50,000 tonnes per month, and a price of \$35.4 per barrel.

Libya is providing the oil at its current commercial price, but it has agreed to an extended grace period for payment. Because of lower transport costs, it would normally be cheaper for Ghana to buy Nigerian oil, which sells at the same price as Libya's. The Jamahiriya, however, has agreed to a 350-day credit facility, while Nigeria offers only 90 days. Overall, Accra radio said, Ghana will make a long-term saving of \$9.78 million.

CSO: 4500/300

HOUSING SECTOR ENJOYS HIGH PRIORITY

London JAMAHIRIYA REVIEW in English No 27, Aug 82 p 16

[Article by James McAllerton]

[Text] WHEN THE Free Unionist Officers, headed by Muammer Qadhafi, toppled the corrupt monarchy of Idris Sanoussi in September 1969, serious housing shortages were one of the major problems facing the Libyan people. The revolutionary authorities were — and still are — committed to rapid socio-economic development, and the provision of adequate accommodation was one of their top priorities. To underline his personal determination to solve the chronic housing problem, Muammer Qadhafi declared that his own parents would move from their shanty dwelling into a decent home only when all other Libyans had been given a similar opportunity.

In the year of the Al Fateh Revolution, there were an estimated 300,000 housing units in Libya — 65,000 less than the number in the United Kingdom. Many of the homes were small, shabby, and included more than 120,000 shacks. The rapid development of Libya's oil industry in the 1960s had prompted a vast migration of rural dwellers to the cities — particularly Tripoli and Benghazi. Many of the early job opportunities created by oil were in the towns, in enterprises servicing the oil companies.

The monarchy's neglect of the housing sector, however, meant that there were no homes to meet the needs of the migrants. Vast shanty towns of corrugated iron shacks quickly sprang up on the outskirts of the cities. In the six years preceding the Al Fateh Revolution, only 26,000 housing units were constructed in Libya — in both the public and private building sectors. By 1969 — ten years after the discovery of oil — there

were a mere 2.88 housing units per thousand citizens.

Lethargy

The lethargy of the monarchy in the housing field is underlined by the paltry sums invested in housing and urban utilities in the annual development budgets in the pre-revolutionary period. In 1962, the figure was only LD 3.5 million, and outlays peaked in 1967 at only LD 42.1 million. In the 1962-69 period, average annual investment stood at a mere LD 20.7 million.

The determination of revolutionary Libya to provide its citizens with adequate housing soon became apparent in the expanded budgets for the construction sector. From a figure of LD 37.5 million in 1970, the annual outlay grew steadily to LD 170 million in 1977. In the first eight years of the Revolution, a total of LD 783.8 million was spent on housing — almost five times more than in the last eight years of the monarchy.

The same sharp contrast between the monarchy and the Revolution are apparent in the figures for dwellings constructed. In the first six years of the Revolution, 110,212 housing units were built — an average annual rate of construction five times greater than in the last six years of the monarchy. By 1978, 148,626 new homes had been erected, half as many again as Libya's total housing stock in 1969. A major watershed in the country's housing development programme, meanwhile, came in 1976, when the last shanty dwelling was ceremoniously burned.

Frenetic period

The replacement of the shanty towns with modern low-cost housing estates marked the end of a frenetic period of development aimed at making good the neglect of the pre-revolutionary regime. But the housing sector has not been allowed to stagnate. Libya's population is growing rapidly, at a rate of about four per cent per annum, creating an ever-expanding demand for new houses. At the same time, much of the older dwellings need replacement. In 1980 there were an estimated 49,000 sub-standard homes.

The continuing high priority attached to housing is evident in the objectives of the Jamahiriya's 1981-85 development plan, which allocates LD 1.7 billion to construction. The overall aim is to complete 59,952 homes that were under construction at the start of the plan, and in addition to build another 146,200 houses. While the Jamahiriya's Housing Secretariat has responsibility for homes built as part of industrial, agricultural, health and other similar projects, the recently established Real Estate Savings and Investment Bank grants direct 'soft' loans for house building to individual citizens and housing co-operatives.

The most striking sign of the importance of the housing sector in modern Libya is the country's monument to the Revolution. It is a vast housing project on the outskirts of Tripoli, providing accommodation for over 100,000 people — three per cent of the total Libyan population.

SOUTH KOREA'S DAEWOO CORPORATION ACTIVE

London JAMAHIRIYA REVIEW in English No 27, Aug 82 p 18

[Text]

THE BRITISH firm Pullen Pumps has won two orders worth \$360,000 for projects on which South Korea's Daewoo Corporation is working in the Jamahiriya. The first is for pumps for water supply and fire fighting at Daewoo's administrative building in Tripoli. The other order is for pumps for water supply, irrigation and fire fighting for the Benghazi headquarters of Libya's Arabian Gulf Oil Company, which the South Korean firm is building.

Daewoo, which has been active in Libya's development programme for four years only, was by the beginning of this year working on more than thirty projects throughout the country. Last autumn the firm was awarded the biggest order ever placed with a South Korean company, when it secured a \$1.8 billion contract to build 7,000 homes in Benghazi, 5,000 in Tripoli and 2,500 classrooms in a number of towns and villages. The Jamahiriya is

the only Arab country with which Daewoo trades.

The South Korean firm's continuing success in the Jamahiriya was underlined in July with the announcement that the firm had exported to Libya \$11 million worth of mobile cranes. The delivery included 24 40-tonne rough terrain cranes and 12 40-tonne lattice-boom truck cranes.

In July it was disclosed that Britain's Sigmund Pulsometer Projects has a \$1.1 million order to supply and install pumping, mechanical and electrical plant in pumping stations in the drainage network under construction in the north east Libyan town of Tobruk. The order was placed by the main contractor for the scheme, an Italian joint venture of Impresit Costruzioni and Costruzione Riordino Esercizio Acquedotti (CRIFA). Consultant for the project is Britain's Howard Humphreys & Sons.

CSO: 4500/300

NEGOTIATIONS ON NEW POWER PLANT CONTINUE

London JAMAHIRIYA REVIEW in English No 27, Aug 82 p 18

[Text]

THE YUGOSLAVIAN concern Energoinvest is negotiating a supply contract relating to the planned 720 MW Melitta power and desalination plant, to be built at Zuwara, 120 kilometres west of Tripoli. The firm hopes to win orders for a wide range of equipment, including generators, boilers, substations and switch-gear.

The Melitta power station is one of the largest planned or being built in the Jamahiriya. The desalination plant will have a capacity of 40,000 cubic metres per day, and the station complex will include a 220 kV substation and about 300 homes. Five companies have been short-listed for the main construction contract, and seven firms have bid for a separate design and construction supervision contract.

Libya's installed power generation capacity has increased rapidly in recent years to 4,800 MW in 1980 compared with 879 MW five years earlier. The 1981-85 development plan projects a further sharp increase, to 3,970 MW by 1985. Productive capacity will rise from 4,800 to 9,400 MW by 1985. Productive capacity will rise from 4,800 to 9,400 megawatt-hours in the 1980-85 period. Many of the new power plants will, like Melitta, be linked with sea water desalination units, and the 1981-85 plan calls for an increase in the Jamahiriya's desalination capacity from 19 million cubic metres in 1980 to 28 million cubic metres in 1985.

WORLD CENTER FOR RESISTANCE TO IMPERIALISM

Paris AFRIQUE DEFENSE in French No 53, Aug 82 p 8

[Excerpt] The first congress of the World Center for Resistance to Imperialism, Zionism, Racism and Reaction was held in Tripoli from 15 to 18 June, bringing together nearly 200 delegates, who represented about 60 revolutionary parties and movements. The creation of this center, according to its masterminds, is designed to express "the feeling of powerlessness which the small countries have toward the larger powers and their disappointment in view of the inertia of international organizations." Thus, in this sense, it is an initial attempt to create an organization to coordinate solidarity activities and to "cement the principle of the collective struggle by joining together its members' means against imperialism, zionism, racism and reaction." The tasks of the Tripoli congress were, in particular, to adopt the Center's Charter, define its objectives and elect a permanent secretariat. The delegates decided that the solidarity of the Center's members must be expressed through all appropriate forms "of moral support for the armed struggle." The necessary resources will be supplied through contributions furnished by each member according to its ability, "while respecting the autonomy of each one." The decision to create this Center was made on 30 August 1981, during the International Solidarity Conference with the Libyan Jamahiriya after the incident which brought on the clash between Libyan and American air forces in the Gulf of Syrte on 19 August. The Soviet Union and the socialist bloc were, according to the Charter's original plan, to be active members of the Center. But a majority preferred to consider them their "natural allies," and not active members of this new "club of the smaller oppressed nations," in the words of Colonel Qadhdhafi at the opening session. The absence of any Algerian or French delegation was noted, whereas the FLN, PCF [French Communist Party], PSU [Unified Socialist Party] and the PS [Socialist Party] had been invited. The general secretariat of the Center is comprised of 18 members; M. Abdellah Zahmoul, a Libyan, was made secretary general.

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CSO: 4519/279

EXTENT OF ECONOMIC CRISIS EXAMINED

Paris AFRIQUE DEFENSE in French No 53, Aug 82 p 6

[Excerpt] Libya has overcome the most difficult hurdle of the grave economic crisis which it has known since the end of 1981, say Libyan officials, but the austerity plan enforced since January 1982 is nevertheless being continued.

The Jamahiriyyah has also "frozen" its ambitious 5-year development plan (1981-85), has signed no new contracts since February, has greatly limited imports, including the military sector, and has reduced foreign manpower by nearly 30 percent. The economic crisis which hit Libya in recent months, following the spectacular fall in revenues, was, according to Western observers, the result on one hand of the oil crisis (overproduction, drop in prices, etc.), and on the other hand of the deterioration of relations between Tripoli and Washington, seen especially in pressures from America to boycott Libya.

The implementation of the Second Five-Year Plan (\$60 billion) coincided with a period of euphoria: at the beginning of 1981, with a production of more than 1.6 million barrels a day, at \$41.00 a barrel, Libya was receiving more than \$22 billion annually. It hit rock bottom in February 1982, with the production of 500,000 to 600,000 barrels a day, at an average of \$35.40 a barrel, losing almost two-thirds of its returns. After reacting slowly at first, thinking that this was only a sudden twist of fate, as the oil market had already suffered, the Libyan officials finally took the bull by the horns, and since January 1982 has undertaken a series of draconian measures to straighten out a situation which "could cause Libya to default on its payments." A limited committee for financial resources, with considerable power, was formed to supervise the strict application of the austerity plan. For example, no letter of credit could henceforth be issued without its authorization.

The programs, being "frozen," were primarily concerned with: a network of railroads which would connect the major cities of Libya, while a contract to study the first section was about to be signed with a German company; the city of Zouara, 120 km west of Tripoli, which was to have a port, aluminum factory and electric plant; the aqueduct project using underground waters in the Desert of Sarir in the country's southeast; a steam-generating station at Syrte, a chemical plant at Marza Brega, airfields and highways, as well as the expansion of the port at Misurata.

the military budget also "suffered some drastic reductions," say Western observers. According to the same sources, Libya apparently arranged with the USSR either for moratoriums on the financing of its arms, or the practice of swapping, especially with the socialist bloc. Moreover, according to Arab sources, Libya stopped giving aid to many political and liberation movements throughout the world. It apparently resumed aid to the Palestinian progressive forces following the Israeli invasion of Lebanon, according to the same sources.

This period of "lean cows" replaces days of "wastefulness and relaxation." Annual imports of consumer goods and present contracts for equipment had exceeded \$14 billion for a country with 4 million inhabitants, 1 million of whom are foreigners. More than 10,000 crates bulging with goods have been waiting for months at Libyan docks. In videocassettes alone, Libya was Japan's number one customer.

Libya, Western observers feel, seems to have learned its lesson and has decided to "think through its choices." Libyan oil production has increased and seems to be stabilizing at 1 million barrels a day. With relative price stability, this could lead to an increase in annual Libyan returns to \$10 billion. It is still not enough for all its needs (fixed numbers of imports, implementation of current contracts, transfer payment of foreigners' salaries, arms purchases). But, given the state of its reserves, it will allow it to stay on a reduced diet. The Jamahiriya is between \$3 and \$5 billion behind in its estimated payments, but it has not yet any foreign debts.

Libyan officials think that they will be in a position to let up on the austerity plan by the end of 1982. For their part, Western observers feel that, despite its difficulties, Libya remains an attractive market.

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CSO: 4519/279

HOME OWNERSHIP CONCEPTS CHANGED BY REVOLUTION

London JAMAHIRIYA REVIEW in English No 27, Aug 82 p 16

[Text]

REVOLUTIONARY LIBYA has not only sought an overall increase in the number of homes available for its citizens. Its commitment to socialism has brought a major redistribution of the country's wealth, which has extended to the housing sector. In March 1978 the General People's Congress — the Libyan legislature — issued Resolution Four, which abolished landlords at a stroke. The new legislation stipulated that all Libyan families had the right to own one — and only one — home.

Tenants became the owners of their homes, although they did not receive them as an outright gift. The former tenants had to take out mortgages, repaid in monthly installments calculated on the basis of the size of their family incomes. Mortgage payments are nevertheless very low, usually totalling only one third of the former rent, and those with a family income of less than \$190 pay nothing. Houses, meanwhile, were deliberately undervalued for purchase by former tenants — often by as much as thirty of forty per cent.

Resolution Four also provided for the compensation of the former landlords, and certain categories of landlord were allowed to continue in business, for example, widows whose only source of income was rent from property. Other exceptions to the regulation restricting home ownership included families with at least one son aged over eighteen years.

Speaking on the September 1979 anniversary of the Al Fateh Revolution, Libyan leader Muammer Qadhafi hailed the principles of Libya's housing legislation. 'The house belongs to the occupier,' he declared, adding: 'There is no freedom for a man who lives in another's house, whether he pays rent or not.'

The Jamahiriya's home ownership structure is in keeping with Qadhafi's Green Book, which sets out the principles that guide the Revolution. 'Man's freedom is lacking if somebody else controls what he needs,' the book says. 'Need causes exploitation. The house is a basic need of both the individual and the family. Therefore it should not be owned by others.'

CSO: 4500/300

BRIEFS

AID, INVESTMENT CHANNELS--THE AGENCY for the Jamahiriya's overseas aid programme is the Libyan Arab Foreign Bank (LAFB). Set up in 1972 as a branch of the Central Bank of Libya, LAFB's total assets last year stood at \$2.1 billion. Until the formation last year of the Libyan Arab Foreign Investment Company (LAFIC), LAFB handled all the Jamahiriya's overseas aid and investment programmes. LAFIC, which has a capital of \$1.7 billion, now administers the country's direct, non-banking investments abroad, for example industrial and hotel ventures. [London JAMAHIRIYA REVIEW in English No 27, Aug 82 p 13]

LIBYAN ARAB FOREIGN BANK--THE LIBYAN Arab Foreign Bank (LAFB), the Jamahiriya's agency for overseas investment, last year increased its balance sheet total by more than ten per cent, to \$2.1 billion, compared with \$1.9 billion in 1980, it was announced in June. Over the same period pre-tax profit rose by four per cent, to \$86 million. Capital and reserves at the end of 1981 stood at \$207.4 million. LAFB was set up in 1972 as an arm of the Central Bank of Libya, and handled all the Jamahiriya's overseas aid and investment programmes until last year, when its non-banking operations, for example in hotels, were taken over by the newly-formed Libyan Arab Foreign Investment Company. [London JAMAHIRIYA REVIEW in English No 27, Aug 82 p 19]

CHEMICAL COMPLEX--WHITE YOUNG Project Engineering of Britain has won an order for a process control simulator to train staff at the Abu Kammash chemicals complex, on the coast near the Tunisian frontier. The order was placed by the West German firm Kloeckner-Humboldt-Deutz (KHD), which manages the Abu Kammash works, and it follows a complete technical audit of the complex carried out in association with White Young Project Development on behalf of the Jamahiriya's General Company for Chemical Industries. The Abu Kammash works, built by West Germany's Salzgitter Industries, was opened in 1980 and has an annual capacity of 50,000 tonnes of plastics, 49,000 tonnes of caustic soda, 40,000 tonnes of table salt, 6,000 tonnes of liquid chlorine, 8,000 tonnes of hydrochlorine acid and 8,090 tonnes of sodium hypochlorite solution. Built at a total cost of \$1.2 billion, the complex includes an adjacent housing estate, school, post office, market and mosque. [London JAMAHIRIYA REVIEW in English No 27, Aug 82 p 19]

OFFSHORE OILFIELD DEVELOPMENT--THE BRITISH firm John Brown Offshore (JBO) has won a \$30 million contract to supervise the development of the Jamahiriya's offshore Bouri oilfield. The four-year contract was awarded by Agip (North

Africa & the Middle East), a joint venture between Agip, a subsidiary of Italy's state energy agency Ente Nazionale Idrocarbi (ENI) and Libya's National Oil Corporation (LNOC). The concession is operated under a production sharing agreement, with 19 per cent for Agip, and the rest for LNOC. The contract is the first in the Jamahiriya for JBO, which is a subsidiary of John Brown Engineers & Constructors. The firm will manage all stages of the oilfield's development, from design, fabrication and hook-up to commissioning of an offshore drilling rig. The Bouri field is the Jamahiriya's first offshore, and contains recoverable reserves estimated at 600-800 million barrels. The continuing world oil glut has put a question mark over the schedule for the field's development, although JBO has started preliminary studies. [Text] [London JAMAHIRIYA REVIEW in English No 27, Aug 82 p 19]

CSO: 4500/300

BRIEFS

NEW TRAINING PROGRAM--IN ITS bid to encourage young Omanis to actively participate in the country's industrialisation drive, the Department of Manpower Development at the Ministry of Social Affairs and Labour has just drawn up a new scheme. Under the scheme, the Department, in conjunction with private employers, will train suitable Omanis as auto mechanics, electricians, air conditioning and refrigeration mechanics, masons and carpenters. The apprentice scheme is open to those who are medically fit, between 16 and 30 years old and literate. A test will be set by the Ministry and employers will make their selection from successful candidates who will be paid a starting salary of not less than OR60 per month. The duration of the training period in each trade, said Director of Manpower Development, Mohsin Mohammed Murad, will be finalised later after discussions with employers. Applications should be addressed to: The Director of Manpower Development, Ministry of Social Affairs & Labour, PO Box 560, Muscat, and should arrive no later than 30 September. [Text] [Muscat OMAN DAILY OBSERVER in English 30 Aug 82 p 1]

CLAMP-DOWN ON SOME IMPORTS--The Minister of Commerce and Industry is planning harsh measures against importers of goods which do not conform to the contents specified on containers. A spokesman of the Ministry said this week that Ministry's checking teams had recently discovered some products in the market which are now being tested in the Central Laboratory of the Directorate of Specifications and Measurements. He said although these goods, which include food, were not harmful to health they constitute a case of cheating people who buy goods believing they conform to the specifications on the containers. The official referred to a Ministerial decree which authorises checking teams to remove goods from the market and confiscate them. The Ministry of Commerce and Industry will soon introduce a law regarding control of the quality of gold, silver and precious metals. The proposed law would require importers of gold to get their metals verified and stamped by the Directorate General of Specifications and Measurement. The law will specify Oman's own standard for gold, silver and other precious metals. A spokesman of the Ministry said that a few incidents of the sale of impure gold had been brought to the notice of the Ministry of Salalah and North Oman. The new law, he said, is meant to stop such incidents. [Text] [Muscat TIMES OF OMAN in English 19 Aug 82 p 3]

CSO: 4400/483

BRIEFS

FARMERS RECEIVE ASSISTANCE--QATIF, Aug. 24 (SPA)--Poultry farms in the Qatif Region received cash assistance of more than SR2 million between July 21 and Aug. 20. Fodder given to these farms during the same period amounted to 3,151 tons. According to Qatif Agricultural Bank's acting Director Abdul Rahman Al-Askar Monday, animal husbandry projects received SR41,000 in cash and 100 tons of fodder during the same period. Subsidies granted to agricultural machinery also reached SR177,800, Askar said. The bank granted medium-term loans valued at SR1.3 million to six farmers and fishermen in the region, he said. Three short-term loans which amounted to SR42,200 were given to farmers during the same period, Askar added. [Text] [Jiddah ARAB NEWS in English 25 Aug 82 p 2]

LABOR LAWS REVISED--TAIF, Aug. 24 (SPA)--The Kingdom will soon be heading toward revising most of its manpower regulations and procedures to obtain higher efficiency, according to Information Minister Dr. Muhammad Abdo Yamani. Speaking Tuesday after a meeting of the Supreme Manpower Council, under its chairman, Second Deputy Premier and Defense and Aviation Minister Prince Sultan, Yamani said that the council discussed many issues related to manpower with an eye to boosting it to achieve the ambitions of the development plan. The two-hour meeting was attended by Interior Minister Prince Naif. Prince Sultan conveyed the attention given by King Fahd and Crown Prince Abdullah to the need for improving the standards of productivity and administration for public employees. The council reviewed results of detailed studies in this regard, including the maximum utilization of human resources available in every field of service, Yamani said. The studies were described by the information minister as comprehensive. "They take into account all possibilities, including the increase of demand on manpower in the future and the prospects of meeting such a rise by improving the standards of productivity," Yamani said. The council emphasizes the importance of training in raising the productivity of the work force. Deliberations also centered on all means for diversifying skills and expanding the base of training programs to serve the supreme objectives of the state and reach development plan ambitions. Improving wages and incentives for joining vocational fields has been tackled by the council and a detailed study is underway to streamline incentives for qualified national personnel, Yamani said. The council decided to set up various committees to study the possibility of permitting government employees to practice private business. The issue will be further discussed before a decision is taken, he added. [Text] [Jiddah ARAB NEWS in English 25 Aug 82 p 2]

SOCIAL SECURITY BENEFITS--DAMMAM, Aug. 25 (SPA)--The Social Security's committee for pensions and assistance to needy families is currently disbursing SR4.9 million to deserving subscribers in Wadi Al-Miyah area. Abdullah Al-Mahkini, Dammam social security office acting director, said Wednesday about 2,000 cases come under the needy families category. In addition to the pensions and assistance, the social security bureau will also give the bonus stipulated by the royal gesture in Ramadan. Payments to deserving persons will continue until Sep. 4. Mahkini said the committee will then visit Jararah, Ummul Our, Ummul Houshat, Shihia, Lihabah and Mutriba to disburse a total of SR1.9 million to about 2,050 cases. [Jiddah ARAB NEWS in English 26 Aug 82 p 3]

CSO: 4400/483

KHARTOUM TRANSPORTATION PROBLEM AFFECTS PRODUCTIVITY

Khartoum AL-SAHFAH in Arabic 3 Aug 82 p 4

[Article: "The Communications Crisis in the Capital and Its Effect on Production: Workers' Productivity Has Declined and the Income Level Has Dropped"]

[Text] First: the Role of Transportation and Communication in Economic Development

Transportation and communications are of maximum importance in the development and economic growth process. Therefore most advanced countries gave priority to the establishment of the transport sector when they were on the first rung of the ladder of economic development for the following reason:

1. Because it enhanced the division of labor and specialization, helping increase the volume of trade among various sectors and increase productivity within sectors.
2. It helped increase the rate of exports of traditional sector crops.
3. It facilitated communication among citizens, satisfying their economic and social wants.

There are basic conditions to these considerations related to the development of money markets which lead to increased volumes of investments in the country.

Transportation is considered a major system for linking the various parts of the country together, and it is also considered a basic service in connecting the various sections of the large towns in the Sudan. We recently observed that priority was given to communication with other areas of the country, as a result of which a deterioration occurred in transport and communications services in the tri-capital area. This led to a deterioration of productivity in production sites concentrated in the capital, which thus led to a shortage of various consumer goods and social services. It would have been possible for the work of building main transportation structures to have proceeded simultaneously with the repair and development of transport and communications services in the capital, in order to avoid bottlenecks, but the financial resources that were available dictated that attention be given to the main system of land routes and that the capital's problems in this area not be considered. In spite

of the sound economic nature of this policy, the state that communications within the capital reached has stirred up much criticism. This is the difference between us as a developing country and countries that preceded us in the field of economic development: the latter to build major transportation system before the industrial revolution, without protests on the part of people demanding social services in the towns, whereas the need for such services in developing countries imposed itself before the construction of the main transportation systems, which ought to have preceded social services, in accordance with their economic importance.

Second: the Reasons for the Transportation and Communications Crisis in the Tri-Capital Area

One can summarize the reasons for the communications crisis in the tri-capital area as follows:

1. An increase in the population as a result of migration from rural areas to the capital, because of the tightening up of job opportunities, the paucity of revenues from production, and increased concentrated emigration to the oil countries. Thus the notion of investing in commercial and housing sectors arose, prompting the capital to absorb this population. The population increase was followed by the dispersion and vertical spread of population areas, which led to the existing division in the transportation force.

2. The type of means of communications:

While the average number of public vehicles is experiencing an increase of varying dimensions, the overall number of private cars is increasing at high rates because of the increase in the number of people emigrating to the oil countries.

3. Congestion and the nature of work hours:

Congestion can be explained by the increase in the number of cars in spite of the narrow streets and passages. Because economic activities are concentrated in Khartoum, we find that all the workers simultaneously go to Khartoum in the morning and return to their residences at 1400 hours.

4. Increased public sector involvement in the field of transportation inside the capital, which has increased the severity of the crisis in spite of the capital's scarce resources, which are embodied in the Capital Transport Company, which has bad features that have effectively helped intensify the crisis. Of these, we might mention the following:

- A. Its monopolization of the main routes, preventing all other buses from operating on them.

- B. High operating costs and the company's inability to use all buses in the optimum manner.

- C. The fact that the company works on a system of two shifts a day; one should observe that the changeover of workers between the morning and evening period

takes place between 1400 and 1530 hours in the afternoon, the period when most workers leave their jobs and head home.

D. Fuel:

This is the result of the high prices of oil following the OPEC organization resolutions and the increase in the total number of cars, unmatched by increases in fuel distribution applications, as well as the introduction of trucks used for buses, whose consumption is estimated at about 825,000 gallons of gasoline a month and which contribute 53.3 percent of the total seats in the capital.

Economic Effects of the Crisis

Many direct and indirect negative effects have occurred as a result of the transportation crisis in the tri-capital area, the most important of which we might review as follows:

1. The drop in worker productivity because of the loss of a portion of the work time and because of the sufferings of some people, who have emigrated in the desire to obtain private cars. This has resulted in a shortage of capable personnel and also psychological tension because of the crisis, which results in procrastination and a lack of work proficiency.
2. The decline in the volume of exports as an indirect effect of the crisis, because of the drop in production at worksites as a result of the points mentioned above.
3. The decline in the level of students' education as many students use means of transportation to get to school.

11837

CSO: 4504/469

RUNDOWN OF 3-YEAR INVESTMENT PROGRAM OFFERED

Khartoum AL-SAHAFAH in Arabic 2 Aug 82 p 1

[Article by Hasan Abu 'Arafat: "AL-SAHAFAH's Report on the New Investment Program: Top Priority to Transport, Communications and Agriculture"]

[Text] The transportation, communications and agriculture sectors receive top priority in the new 3-year investment program for the years 1982/83-1984-85. The sums recommended for investment in the transport and communications sector total 547 million and those in the agriculture sector 526 million out of total overall program allocations of 1.9 billion pounds. Allocations for the transport and communications sector will be directed to the completion of construction of roads, consolidation of the railway, and construction and expansion of ports to contribute to the importation and transport of productive sector accessories and the transport of exports.

Support for Reconstruction Projects

Agricultural sector allocations will be directed toward completion of the re-development and renovation projects in the White and Blue Nile, New Halfa and al-Jazirah projects. The program will support increases in exports totalling 7 percent a year, substitution of new imports like sugar and textiles, increased livestock production, development of rainfall irrigated agriculture through the inexpensive technical methods, and increased volumes of investments in agriculture in order to develop its resources.

One of the most important projects in the industrial plan for which allocations have been earmarked is the project to reconstruct the sugar sector. Most allocations in the energy and mining sector have been made to bolster and strengthen the national electric system.

Supporting Regional Development

Until the establishment of the institutions of regional government is completed and every region is able to list its regional resources and provide its own financing studies and projects, the investment program will include sums totalling 245 million pounds to meet development needs in the regions in the areas of water resource development, the establishment of food projects and support for education and health services.

The Economic Effects of the Program

It is expected that the 3-year investment program will achieve a number of economic effects. It is hoped that gross domestic product will grow by about 4 percent in the program period and that in addition the total volume of exports, based on the current exchange rate of the Sudanese pound, will increase from about 600 million in 1981-82 to 972 million in 1984-85 and the total cost of imports will drop from 1,467,000,000 in 1981-82 to 1,332,000,000 in 1984-85. One of the program's major goals is to improve the balance of payments and limit the amount of aid required to achieve the rate of growth and equilibrium and meet the country's financial commitments.

According to assumptions related to the rates of growth of government revenues from various sources and surpluses in self-financing units in the public sector, and the possibility of indebtedness through the sale of government bonds and public sector expenditures, available domestic resources will continue to be limited. They might rise slightly in current prices, from 29 million pounds in the first year of the program to 40 million pounds in the last one.

International Interest in the Program

The 3-year investment program has encountered intense interest on the part of financing sources in the bilateral and international contexts. The program will be presented as one of the basic documents of the conference of the consulting group of the Sudan, which is expected to be held at a later time this year in Paris to discuss plans for financing the program. It will be necessary to obtain foreign aid and loans to cover sums ranging from 500 to 600 million pounds a year from international financing sources.

Medium-Term Plans

The 3-year investment program consists of medium-term plans in the context of the national development plan. These determine the volume of public sector investments in light of current economic and political variables. Use will be made of this program in restoring equilibrium to the national economy in the sectoral and regional frameworks. It includes political and economic guidelines which are adopted to adjust the course of the domestic economy.

3-Year Investment Programs

During the current 6-year plan period (1977/78-1982/83), two 3-year investment programs were prepared. The first program (1978/79-1980/81) was concerned with supporting the program to reconstruct the agricultural sector in sectoral fashion in cooperation with the World Bank. Allocations for the second investment program, for 1980/81-1982/83, were basically directed to remedying the problems of reduced productivity in agricultural projects and to concentrating on reconstruction of the agricultural sector in the context of irrigated farming projects.

Further details on the program in tomorrow's economic supplement.

NEW INVESTMENT PROGRAM FINANCING DISCUSSED

Khartoum AL-SAHFAH in Arabic 3 Aug 82 p 4

[Article: "The 3-Year Investment Program And Its Role in Balancing the Economy; International Attention to Program Financing"]

[Text] The Ministry of Finance and Economic Planning (the planning sector) is in charge of a broad campaign to have international, regional and domestic financing funds and other financial sources help in the financing of the third 3-year investment program for the years 1982/83-1984/85 which was recently ratified by the Council of Ministers. This program acquires great significance as an economic document which is most comprehensive and copious in its information and data and most profound in its analysis of the course of the Sudanese economy, and great hope is being placed on it for re-establishing balance in the Sudanese economy. The economic supplement is offering a detailed review of the features and characteristics of this program.

Medium-Term Plans

The 3-year investment programs consist of medium-term plans in the context of the country's national economic and social development plan. They are concerned with specifying the volume of public sector investments in the framework of economic, political and social variables. The 3-year investment plans are drawn up every 3 years, in accordance with resources, to cover a 3-year period, to keep up with the circumstances of constant change. These are supposed to be more realistic than the long-term plans in providing and increasing confidence in the information and statistics on which the 3-year programs are founded. Use is made of the dynamic of the 3-year programs in restoring balance to the economy in the sectoral and regional frameworks, and use is also made of it in guaranteeing political directives and economic policies that are adopted to correct the course of the economy. During the current 6-year plan period (1977/78-1982/83), two investment programs were prepared, for the years 1978/79-1980/81 and 1981/82-1982/83, as well as the third one, for the years 1982/83-1984/85, which is before us.

In addition, the 3-year investment programs receive substantial attention from financing sources on the bilateral and international levels. The 3-year investment program for 1982/83-1984/85 is being set forth and prepared for printing as one of the basic documents of the conference of the consulting group on the Sudan, which is expected to be held late this year.

Contents of the Program

With respect to the increasing importance the 3-year investment program enjoys as an economic document, and as a consequence of the experience gained in preparing it in previous years, this document is appearing in a more comprehensive form, more profuse in its data and information and more profound in its analysis of the course of the Sudanese economy. The document consists of five chapters which address themselves to an examination and analysis of the behavior of the Sudanese economy over the past 5 years, economic policies as contained in the economic concentration and financial reform program, the goals of investment, the volume of public sector investments in the course of the next 3 years in the frameworks of the various sectors and regions, the effects of these investments on the course of the Sudanese economy and the method of financing the program, in addition to an abundant appendix.

Occupying a major place in the document are the receipts from Sudanese working abroad in the form of remittances and tax revenues. However, the objective remains, which is that these personnel should be available within the Sudan, and therefore the government has expanded higher and technical education by erecting a number of universities in the regions, consolidating existing universities, expanding their curricula and establishing technical and training institutes.

In terms of the goals the 1977/78-1982/83 6-year plan spelled out, the economy's performance fell short of these goals, but, as regards the problems which the Sudanese economy faced, the performance could be improved through efforts to solve these problems. This is what the third 3-year investment program has aimed at, in the context of the financial reform and economic concentration plan.

General Goals

The program's general goals may be summarized as follows:

- A. Rebuilding the productive capacity of the Sudanese economy, especially in the sectors of agriculture and industry.
- B. Exploiting and expanding productive capacity and increasing production.
- C. Increasing exports and expanding the scoped appropriate import substitutions.
- D. These measures overall will result in enlarging foreign trade and improving the balance of payments.
- E. Expanding that part of the infrastructure that is oriented toward the service of the productive sectors.
- F. Expanding the base of private sector participation.
- G. Hastening to discover and exploit the country's natural resources, especially oil.
- H. The goal in all these measures is to increase the country's gross domestic product and per capita income.

Sectoral Goals

There are detailed sectoral goals in the document, which we might summarize as follows:

The Agricultural Sector

1. Completion of redevelopment and modernization projects for the White and Blue Nile, New Halfa and al-Jazirah projects (whose evaluation started recently).
2. Completion of the al-Rahad agricultural project.
3. Maximum use of the productive capacity of existing projects, in order to support the program for increasing exports, which has the goal of increasing them by 7 percent a year and substituting for such imports as sugar, textiles and so forth.
4. Increasing livestock output.
5. Giving attention to rainfall irrigated agriculture by setting forth a strategy to develop it, by introducing technical methods which are not costly and increasing the volume of investment in it in order to develop its resources.

The Industrial Sector

1. Completing projects which are being carried out.
2. Reconstructing existing projects, especially the sugar and textile projects.
3. Providing essential services such as electric power, accessories and transportation.
4. Raising these projects' management level.

The Energy and Mining Sector

1. Increasing the production of electric power by completing projects under construction.
2. Installing additional electric generators — the fourth power project.
3. Reconstructing electric plants.
4. Accelerating ongoing oil drilling and exploitation efforts.
5. Expanding oil products storage capacity.
6. Exploring for and exploiting other minerals.
7. Improving water services for people and animals.

The Transport and Communications Sector

1. Expanding the transport and communications system to serve the productive sectors.
2. Linking up remote areas to a transportation system which will lead to expansions in the economic base, fair distribution of development opportunities and balance among the various regions of the country.
3. Increasing competence in the use of existing capacities, especially river transportation and the railroads.
4. Reducing transportation costs connected to increasing competence in the use of available resources and proper equipment maintenance, setting up new transportation routes requiring the least investments, erecting branch routes to production regions and completing existing projects.
5. Innovating methods for getting the private sector to participate more effectively in transportation.

The Service Sector

1. Concentrating on technical training to supply productive sectors with their requirements.
2. Completing a population survey which will be the basis for setting out an investment plan for education, training and accreditation.
3. Devoting attention to health measures and preventive medicine.
4. Reconstructing existing hospitals, health centers and vocational and educational institutions.

Regional Development

Until the establishment of regional government institutions is completed and each region is subsequently able to list its regional resources and prepare project studies for financing, the 3-year investment program will include aggregate sums which are not presented in detail in order to deal with development requirements in the regions. These sums are limited and it is not anticipated that they will be adequate for large investments. It is expected that these sums will be used to achieve the following:

- A. Development of drinking water sources for humans and livestock.
- B. Establishment of farms for vegetables, fruit, poultry and dairy products to meet the needs of regional towns.
- C. Supporting education in the primary and intermediate levels.
- D. Supporting health services.

The Mixed and Private Sector

The 3-year investment program does not include an integrated evaluation of the private sector's performance, and adequate information and statistics are not at the present time available for this purpose. Perhaps it is the 3-year investment program's goal to guide public sector investments, but, because of the importance of the private sector, the program has devoted space to a discussion of the projects the private sector is interested in investing in in the fields of agriculture, mining, oil (it is expected to participate in oil refining and distribution), industry (it is running the main share of textiles and the oil, soap, spare part, automobile battery and tire industries and the assembly of such electrical appliances as refrigerators, dry cells and so forth), and transport and communications (in which there are trucking companies — some statistics show that two-thirds of the cargo is transported in trucks at the present time — as well as air transport; serious attempts are underway now to get into the field of river transportation).

The 3-year investment program's estimates include the government's share of mixed sector investments. The government considers it appropriate to relinquish its shares in some joint projects to banks so that they can assume the participation on the public sector's behalf.

The second instalment will appear in the next issue.

11887

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COLLECTIVE BARGAINING AGREEMENTS DISCUSSED

Tunis DIALOGUE in French No 413, 2 Aug 82 pp 41, 42

[Article by M.K.: "Revision of the Management Collective Bargaining Agreement: The State of the Situation"]

[Text] In spite of difficulties due essentially to divergent points of view, the negotiations pertaining to the reconciliation of the management collective bargaining agreement and the industrial collective bargaining agreement are going on at the rate of one session per week. A first glance at these negotiations.

At what stage at present are the negotiations pertaining to the revision of the management collective bargaining agreement and the industrial collective bargaining agreement? These negotiations, in process since last April between the UGTT (Tunisian General Federation of Labor) and the UTICA (Tunisian Union for Industry, Trade, and Crafts), are taking place at the rate of one session per week.

At the beginning, difficulties impeded the sound development of the negotiations, particularly those pertaining to the revision of the management collective bargaining agreement. But following the intervention of the minister of social affairs, who has taken the laudable initiative of meeting simultaneously with the negotiators in the presence of the leaders of the two union groups, a promising new climate seems to be beginning between the company partners, especially since each of the two parties has decided to put national interest above any other consideration.

As for the negotiations themselves, it should be noted that after an exchange of correspondence between the two union groups, a working calendar has been established and a certain number of principles had been delayed by common agreement. The following points are at issue:

--Only the written propositions issued by one or the other party and exchanged in writing will be studied during negotiations.

--In order not to delay negotiations any longer than necessary, negotiators are called upon to move from one article to another in the event that there is a disagreement of any sort in the first article.

--Minutes of the meeting are set at the end of each session. They will be signed by the two parties present and must include the points of agreement and disagreement occurring during the discussions.

After determining the working method, negotiations take place in the presence of social affairs representatives who do not permit negotiators to go beyond the legal limit.

Paralleling the management collective bargaining agreement, sixteen industries have begun the revision of their collective bargaining agreements since 25 March 1982:

- Public works and construction
- Bakeries
- Pasta makers
- Cafe owners
- Millers
- Soapworks, oil factories and milling of olive husks
- Plastics
- Perfume factories
- Maritime agencies
- Printing
- Pharmacies
- Shoe industry
- Cinema
- Weaving
- Mechanical engineering

The negotiations on the revision of the industrial collective bargaining agreements of eight other industries out of the remaining twenty-one should be undertaken in the weeks to come.

If in certain industries (pharmacy, for example) negotiations are ahead of the agreed-upon deadline, a certain slowness is recorded for other industries. The main reason for this situation is the fact that, aside from the divergences in points of view between the two parties, there are difficulties in the interpretation of certain articles which necessitate a long moment of reflection. Consequently, according to certain negotiators, it seems really difficult to arrive at a final agreement before the end of the month of September as the labor union groups hoped in order to begin the negotiations in other industries, so as to have the collective bargaining agreements signed before 1 January 1983, the date these agreements go into effect.

Let us note finally that the proposals set forth by the different federations concern comparative improvements:

- in the departure for retirement
- in the retirement age
- in establishing company funds
- in setting up group insurance
- in the night shift bonus
- in the housing allowance

- in the tuition allowance
- in the shopping allowance
- in the thirteenth month bonus
- in the attendance bonus
- in the balance sl. bonus
- in the hazard pay
- in the death allowance
- in the education allowance
- in the milk allowance
- in the moving allowance
- in the travel allowance
- in the maternity leave
- in the insurance bonus
- in overtime pay

Certain bonuses exist already; others are raised for the first time.

[Inset article by A.D.: "What is the Collective Bargaining Agreement?"]

"The collective bargaining agreement is an agreement concerning working conditions decided upon by the employers organized in groups or acting individually on the one hand, and on the other hand, by one or more labor unions. It must be written to be valid."

The provisions of any agreement are indispensable in the terms established by the individual or team contracts, unless the clauses of these contracts are more favorable to the workers than those of the agreement.

Once the agreement is signed, the head of the corporation must see that it is posted where work is carried on, as well as on the door and in the areas where hiring is done.

Theoretically, this notice indicates the existence of the agreement, the effective date and the signers. For agricultural workers, those of the liberal professions, isolated or at-home workers, it is only required that the agreement be posted in the townhall of their place of residence, or, lacking that, at the delegation office by the employer who was a party to the agreement.

The Collective Work Agreement is concluded for a determined period of time between the associated partners during the negotiations and is not to exceed five years.

The worker groups or employers bound by a collective work agreement are obliged to carry out the agreement through their members.

9955

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TUNISIA

RECOMMENDATIONS ON GREENHOUSE FARMING MADE

Tunis DIALOGUE in French No 413, 2 Aug 82 pp 26-27

[Article: "A Genuine Optimism"]

[Text] A national seminar on farming early vegetables in greenhouses took place in Monastir under the Ministry of Agriculture, from 10 to 12 June 1982.

Greenhouse farming reported a noticeable evolution in recent years, from an area of 11 ha in 1976 to 960 in 1982 and the Sixth Plan predicts 2,000 ha in 1986.

The "craze" for this farming practice is the result of the farmers' desire to make the most of the climatic conditions which favor early produce, especially along the coast, allowing them to obtain early yields which can be sold for profitable returns. It is also the result of the state's policy of encouraging the building of greenhouses: exemption from customs on metal frames (26 percent of the purchase price); investment subsidies (10 percent); bank credit for investments (80 percent), to be repaid over 5 years at 6 percent interest; and, possibly, guarantee of self-financing for small farmers by the Rural Development Program.

But after the first particularly favorable years, greenhouse farmers admit that their produce is being sold at prices which are getting closer to cost, and they are wondering about their future--should they give up their greenhouses or convert them into henhouses? Has the sector already reached the saturation level? And does the goal of 2,000 hectares in 1986 seem hypothetical?

Those participating in the seminar are rather optimistic and have fully discussed the means to give it new life: reducing production costs by crop control, introduction of new techniques, varieties and crops, and improvement of returns and their quality; organizing the farmers, especially by means of service cooperatives; expanding markets, especially for export.

Several recommendations were made:

Supply: The establishment of effective control of young plants and seeds, proper use of plant nutrients, sufficient use of organic fertilizer (or farm manure), obtained by raising livestock in greenhouse areas.

Production: Our plans must take into account the potential and special features of local and foreign markets. To that end, the seminar set forth a program for the 82-83 campaign, designating area and volume according to crop and district; from a total area of 1,100 ha (versus 860 ha in 1981-82), tomato and pimento would each take up 440 ha; melon, 165 ha; and other species (cucumbers, eggplant, lettuce, beans, etc.), 55 ha apiece. The districts along the coast would comprise 988 ha and the ones in the interior, 112 ha. Production would be 56,000 tons (versus 38,000 tons in 1981-82).

We must also get the farmers to modernize their techniques and step up production by introducing new species such as eggplant, green beans, and flowers, by improving early yields by means of a heating support system, by rotating two crops per year, by controlling soil quality to make the improvements required for their level of fertilization, and to prevent infection by diseases.

This will allow them to considerably increase the results obtained up to now (for example, tomatoes will be paid for up front at an average of 110-120 tons to the hectare versus 80 tons at present). Increase in returns, combined with the introduction of new species and rotating two crops per year, will measurably improve greenhouse revenues.

Domestic marketing: by standardizing produce, a condition necessary in the fight against speculation and by organizing sales through service cooperatives, which are bound by contracts to large self-service stores, hotel chains and other organizations.

Finally, at the export level: It is being set up as an actual locomotive for the section.

The export of greenhouse produce was, until last year, a marginal, if not insignificant, operation. Around 80 tons of fresh tomatoes were exported annually on the Marseilles market. A jump was reported for this year, with 720 tons exported. This amount is still low with respect to production (barely 2 percent).

In 1983, we intend to export 2,000 to 3,000 tons of tomatoes. In addition to this increase in volume of exports, we will likewise be concerned with the continuity of market sales and their diversification with respect to the other European countries (FRG, the Nordic countries) and the Gulf countries.

Recommendations for achieving this goal for exports include:

- the reduction of production costs, allowing our produce to be more competitive. In this regard, the seminar suggested exemption from customs on equipment, and preferential tariffs for air freight.

- strengthening of the cooperative structures in charge of conditioning, with the aid of the irrigation offices (Nabhana, Nabeul, Gabes) and the Interprofessional Group for Vegetables (GIL).

- contracts for cultivation between the farmers and service cooperatives, the provisions being, especially: A minimum of 1 year on the price and possibly a rebate at the end of the period, delivery of specific quantities, and necessary quality of the produce.

UMM-AL-NAR REFINERY OUTPUT TO RISE

Dubayy KHALIF TIMES in English 31 Aug 82 p 3

[Text]

THE production capacity of Umm Al Nar Refinery, the first to be built in the country, is expected to reach 75,000 barrels a day by July next year.

This was announced by Mr Hassan Salman, chief of the Abu Dhabi National Oil Company's transport and industrialisation department, at a Press conference in Abu Dhabi yesterday.

He also said that the Abu Dhabi Executive Council had agreed to widen the navigational channel at the port in Umm Al Nar by several metres to enable tankers to come right upto the refinery. With the widening of the 150-metre channel, tankers with a capacity of 20,000 tons would be able to dock, at the two newly-constructed berths.

The decision to expand the capacity of the refinery was taken in 1980, and according to the authorities, 70 per cent of the project has been completed. The refinery officials claim that the work was expected to be completed ahead of schedule.

Storage

The storage capacity too has been increased and at present there are 33 huge tanks for storing refined and crude oil. According to Adnoc officials, the total capacity of the tanks would be nearly a quarter of a million cubic metres.

The original plan was to reserve Umm Al Nar Refinery to produce petroleum only for the emirate of Abu Dhabi, while the refinery at Ruweis was designed to meet the requirement of the entire country and the foreign market. The decision to increase the production capacity of Umm Al Nar has been taken in the light of the

increase in the local demand, and a change in the general market situation.

The refinery produces six varieties of products out of the crude oil obtained from the on-shore Assab oil-field. These are produced in six different units at the refinery, including the crude desalting and distillation unit, naphtha hydro-desulphurisation unit, continuous catalytic reforming unit, kerosene hydrotreating unit, LPG treating unit and sour water stripping unit.

The cost of the entire expansion project has been estimated at 200 million dollars. The mechanical consultants, Kellogg, an American firm are the main consultants for the expansion project. Eleven contracting firms have been engaged for executing the project.

First Arab refinery

Mr Hassan Salman said that he was pleased to term the Umm Al Nar as the 'first Arab refinery' in the sense that foreign participation had been negligible. It was also encouraging to note, he said, that several UAE nationals were employed at the refinery and the ratio of the national employees had gone up to 30 per cent.

He said that at present there were two pipelines carrying oil to the refinery from the source at Habshan. One of them is the new eight-foot pipeline laid by Adnoc. The other, he said, was the 15-foot pipeline that was used earlier for carrying natural gas to an old gas-treating plant. On the 120-kilometre route from the oilfield to the refinery, the pipeline had to be repaired at several points, he said.

Umm Al Nar, Mr Salman pointed out, was not merely the first refinery of the country. It had also served as an institution of learning imparting use-

ful lessons and experiences. The pitfalls and obstacles faced at Umm Al Nar, were avoided at Ruwejs, he said.

Turn-key project, Mr Salman said, were not in the interest of the country since such projects did not provide an opportunity for learning through experience. Here at Umm Al Nar, the parent company Adnoc had been able to take part in all the projects and had gained invaluable experience, he added.

The major contracts include a wide range of work ranging from soil testing and site investigation, to construction of the utilities. Insulation, painting, tank fabrication, sea-water intake, vibro flotation and the construction in the mechanical and civil works have been awarded to international companies which specialise in refinery

work. Five thousand tons of steel and an estimated 7,500 cubic metres of cement has been used, on this giant project so far.

An important aspect of the expansion plan at Umm Al Nar is the extension of the navigational facilities between this place and the rest of the country. With construction of the new jetty the local distribution of refined oil through smaller vessels will become easier.

At present, there are only two storage tanks at the port site which serve the needs of Adnoc-Fod. The authorities plan to increase the number of such tanks.

According to Mr Salman, 60 UAE nationals were receiving training in Britain in modern techniques of refinery operation.

CSO: 4400/488

BRIEFS

SANAA AIRPORT DEAL SIGNED--SANAA, Aug. 26 (SPA)--A SR134 million contract for expanding the Sanaa International Airport will be signed Saturday between the Yemeni Civil Aviation and Meteorology Authority and two Saudi Arabian companies. Muhammad Al-Yadoumi, civil aviation and meteorology director general of North Yemen, said Thursday that work on the project will begin as of next week. The expansion will enable Sanaa airport to receive the large Boeing Jumbo aircraft; improve its electricity supply source; construct an integrated central workshop; and build a special runway for cargo planes with the necessary offices and internal roads. Yadoumi commended cooperation between Yemen and the Kingdom, especially in civil aviation and meteorology, which has achieved a lot through the Joint Saudi-Yemeni Coordination Council or directly between the Saudi and Yemeni civil aviation and meteorology authorities. The airport expansion is one of the major projects being implemented through the Saudi-Yemeni coordination council. Funds for the project have been provided by the Kingdom as part of more than SR400 million granted to North Yemen to modernize its airports, about SR180 million has been allocated for the establishment for wireless and telecommunication contact stations and another SR10 million for the maintenance and operation observatory instruments. Saudi Arabia channels direct budgetary assistance and financing of various development projects in Yemen through the joint coordination council. [Text] [Jiddah ARAB NEWS in English 27 Aug 82 p 2]

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